RNS Number:5847J
Cross Shore Acquisition Corporation
28 September 2006

Cross Shore Acquisition Corporation

Unaudited interim results for the period ended 30 June 2006

It has been nearly five months since Cross Shore Acquisition Corporation ('Cross Shore' or the 'Company') began trading on AIM on 28 April 2006. During that time, the management team has been actively seeking suitable candidates for a Qualified Business Combination. It remains the Company's intention to invest in one or more companies engaged in the delivery of business services in the U.S. and to focus on those companies which can benefit from the ''productivity arbitrage'' associated with offshoring select operations. While many industries have been vetted, management believes that outsourcing in the healthcare arena is particularly attractive given the fragmented nature of the healthcare industry and the basic dynamics that underlie the industry. As such, management has given particular focus on companies engaged in providing services to the healthcare industry.

For the five month period ended 30 June 2006, Cross Shore generated no revenue as it is still a shell company that has not yet entered into a business combination. Expenses to date have consisted primarily of professional fees and travel expenses. At 30 June 2006, Cross Shore's working capital account (the cash retained from the proceeds of the initial public offering to fund expenses), which was originally $1.3 million, had a balance of approximately $1.0 million. Management estimates that it has sufficient working capital to continue pursuing target businesses and complete a Qualified Business Combination.

Cross Shore Acquisition Corporation

(A Development Stage Enterprise)
Unaudited interim financial statements

30 June 2006

Contents

Balance sheet

		June 30, 2006
ASSETS		
Current Assets		
Cash	$	1,052,014
Prepaid expenses and other current assets		78,753
Deferred offering costs		-
Total Assets	$	1,130,767
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$	(34,547)
Note payable - related party		-
Total Liabilities	$	(34,547)
Commitments		
Stockholders' Equity		
Preferred stock, $.0001 par value; 1,000,000 shares authorized -0- issued		-
Common stock, $.0001 par value; 74,800,000 shares authorized, 23,333,335 issued and outstanding at June 30, 2006 and 74,800,000 shares authorized,		

none issued and outstanding at February 1, 2006	2,334
Additional paid-in capital	104,595,668
Called up share capital held in trust	(103,393,585)
Deficit accumulated during development stage	(108,197)
Total Stockholders' Equity	1,096,220
Total Liabilities and Stockholders' Equity	$ 1,130,767

Statements of operations

	January 30, 2006 (inception) to June 30, 2006
Formation and operating costs	108,197
Net Loss	$ (108,197)
Weighted Average Shares Outstanding, Basic and Diluted	9,793,860
Net Loss Per Share, Basic and Diluted	$ (0.01)

Statement of changes in stockholders' equity
For the period from January 30, 2006 (inception) to June 30, 2006

	Common Stock Shares (1)	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Called Up Share Capital Held in Trust	Total Stockholders' Equity
Common Shares issued on April 23, 2006 at $0.0001 per share	4,666,667	$ 467	$ 24,533	$ -	$ -	$ 25,000
Sale of 18,666,668 units, net of underwriters' discount and offering expenses	18,666,668	1,867	103,088,066	-	-	103,089,933
Deferred underwriters' fees	-	-	756,000	-	-	756,000
Income earned on funds held in trust	-	-	727,069	-	-	727,069
Called up share capital held in trust	-	-	-	-	(103,393,585)	(103,393,585)
Net loss	-	-	-	(108,197)	-	(108,197)
Balance at June 30, 2006	23,333,335	$2,334	$104,595,668	$(108,197)	$ (103,393,585)	$ 1,096,220

Statement of cash flows

For the period from January 30, 2006 (inception) to June 30, 2006

	January 30, 2006 (inception) to June 30, 2006
Cash Flows from Operating Activities	
Net loss	(108,197)
Changes in operating assets/liabilities:	
Prepaid expenses	(78,753)
Accounts payable	34,547
Net Cash Used in Operating Activities	$ (152,403)
Cash Flows from Financing Activities	
Proceeds from issuance of Common Stock	112,025,008
Payment of offering expenses	(8,154,074)
Payment of share capital into trust account	(102,666,517)

Net Cash Provided by Financing Activities	$	1,204,417
Net Increase in Cash	$	1,052,014
Cash, Beginning of Period	$	-
Cash, End of Period	$	1,052,014

Notes to the financial statements for the period ended 30 June 2006

NOTE 1 - Organization and business operations

Cross Shore Acquisition Corporation (a development stage enterprise) (the '' Company'') was incorporated in Delaware on 30 January 2006 as a company, the objective of which is to acquire one or more operating companies engaged in the delivery of business services to companies and consumers in the U.S. The Company is considered to be in the development stage as it has solely been engaged in efforts to raise capital and to identify and assess potential acquisitions.

The offering circular for the Company's initial public offering (the 'Offering') was declared effective on 24 April 2006. The Company consummated the Offering on 28 April 2006 and received net proceeds of $112,000,008 before offering expenses. The Company's management has broad discretion with respect to the specific application of the net proceeds of the Offering, although substantially all of the net proceeds of the Offering are intended to be generally applied toward consummating a business combination with a company that is engaged in the delivery of business services (a 'Business Combination').

$102,666,516 of the net proceeds of the Offering was placed in a trust account (the 'Trust Fund') to be held there until the earlier of the (i) consummation of the Company's first Business Combination or (ii) liquidation of the Company. Under the agreement governing the Trust Fund, funds will only be invested in United States government securities defined as any Treasury Bill issued by the US having a maturity of 180 days or less. The investments held in trust amounted to $103,393,585 at June 30, 2006. The balance at 30 June 2006 and the related income from the change in market value in the period are shown in equity, as they are not considered to be assets or income of the Company because they are not at the Company's disposal until the consummation of a Business Combination. The remaining net proceeds received from the Offering, may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

Sums held in the Trust Fund will be released only on the earlier of completion of a Qualified Business Combination or the distribution of the remaining funds held in the Trust Fund on the Company's failure to complete a Qualified Business Combination by the later of (i) 12 months from the date of the consummation of the Offering, (ii) 18 months after the date of the consummation of the Offering in the event that either a letter of intent, an agreement in principle or a definitive agreement to complete a Business Combination is executed but not consummated within such 12 month period or (iii) another date agreed by a majority of shareholders. If no Qualified Business Combination occurs the Company will be liquidated and all sums will be distributed on a pro rata basis to the Company's shareholders.

NOTE 2 - Basis of preparation
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The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial information of Cross Shore Acquisition Corporation set out in this report.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. ('U.S. GAAP').

Notes to the financial statements for the period ended 30 June 2006

NOTE 3 - Summary of Significant Accounting Policies

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Cash held in trust

Cash held in trust represents amounts invested in US government securities which are recorded at market value. The balance at June 30, 2006 and the related income from the change in market value in the period are shown in equity as they are not considered to be assets or income of the Company. These funds will be held in trust until the earlier of the consummation of a Qualified Business Combination or 12 months from the date of the consummation of the Offering, extended to 18 months if the Company has signed a letter of intent or definitive agreement in respect of a Qualified Business Combination or extended to a date approved by the majority of shareholders.

Income Taxes

Deferred income taxes are provided for the differences between the bases of assets and liabilities for financial reporting and income tax purposes. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recorded a deferred income tax asset to reflect the tax effect of net operating loss carryforwards and temporary differences of approximately $36,787 at June 30, 2006. In recognition of the uncertainty regarding the ultimate amount of income tax benefits to be derived, the Company has recorded a full valuation allowance against the asset.

The effective tax rate differs from the statutory rate of 34% due to the increase in the valuation allowance.

Loss Per Share

Loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

Use of Estimates

The preparation of accounts in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Trade and Other Payables

Trade and other payables are stated cost.

NOTE 4 - Initial Public Offering

On April 28, 2006, the Company sold 18,666,668 units ('Units') in the Offering at a price of $6.00 per Unit, generating gross offering proceeds of $112,000,008. Each Unit consisted of one share of the Company's common stock, par value $.0001 per share (the 'Common Stock'), and two redeemable common stock purchase warrants ('Warrants'). Each Warrant entitles the holder to purchase from the Company one share of Common Stock at an exercise price of $5.00 per share commencing on the earlier of the completion of a Qualified Business Combination with a target business or the Qualified Business Combination Deadline as defined in the admission document. The Warrants expire on the fourth anniversary of the admission date.

Notes to the financial statements for the periods ended 30 June 2006

NOTE 4 - Initial Public Offering (continued)

The Warrants are redeemable at a price of $.0001 per Warrant upon 30 days' notice after the Warrants become exercisable, only in the event that the last sale price of the Common Stock is at least $8.50 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given and the weekly trading volume of the Company's Common Stock has been at least 550,000 shares for each of the two calendar weeks before the Company sends the notice of redemption.

In connection with the Offering, the Company issued, for $100, an option to the representative of the underwriters to purchase up to 933,333 Units at an exercise price of $6.60 per Unit. The option is exercisable on the earlier of the completion of a Qualified Business Combination with a target business or the Qualified Business Combination Deadline as defined in the admission document. The Warrants expire on the fourth anniversary of the admission date. The warrants underlying such Units are exercisable at $5.00 per share.

NOTE 5 - Deferred Underwriters' Fees

The Company's lead manager and placing agent, Sunrise Securities Corp. elected to defer their non-accountable fees in connection with the placing in the amount of $756,000. Upon completion of a business combination $756,000 of the funds now in the Trust Fund will be payable. This amount will be waived if no business combination takes place.

NOTE 6 - Stock Classifications

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

Stock subject to conversion

With respect to a Business Combination which is approved and consummated, any Public Stockholder who voted against the Business Combination may demand that the Company convert his shares to cash. Such repurchase rights entitle a shareholder to have a certain number of New Shares repurchased which is calculated as a fraction equal to the amount of funds held in the Trust Fund immediately before the Business Combination divided by the funds placed in the Trust Funds as a result of the offering (never to exceed 1). The per share conversion price will equal $5.50 per share. A majority of new shares are required to vote in favour of a business combination and founding shareholders have agreed to vote with the majority of the new shareholders. Accordingly, Public Stockholders holding up to approximately 40% of the aggregate number of shares owned by all Public Stockholders may seek conversion of their shares in the event of a Business Combination.

Notes to the financial statements for the periods ended 30 June 2006

NOTE 7 - Related Parties

Directors and Executive Officers

Edward V. Yang	Chairman and Director
Dennis M. Smith	Chief Executive Officer, Director, President and Company Secretary
Stephen E. Stonefield	Director
Jon A. Burgman	Director

The directors of the Company and their immediate relatives control 20% of the voting shares of the Company.

Transactions with Related Parties

On April 28, 2006, the Company repaid an unsecured promissory note payable to a Founding Shareholder, who is an officer and director of the Company, of $139,078. The note was non-interest bearing and therefore no interest was paid in the transaction.

The Company occupies office space provided by an affiliate of a Founding Shareholder. Such affiliate has agreed that, until the completion of a business combination or the distribution of all the sums held in the Trust Fund, it will make such office space, as well as certain office and secretarial services, available to the Company, as may be required by the Company from time to time. The Company has agreed to pay such affiliate $7,500 per month for such services.

NOTE 8 - Commitments and contingent liabilities

The company has agreed to pay an affiliate of a founding shareholder for office space as described in note 7.

An affiliate of the sole manager and placing agent of the Company has been engaged by the Company to provide financial advisory services in connection with the acquisition and financing of the Company's initial business combination. The Company has agreed, upon completion of its initial business combination, to pay such affiliate a fee equal to the greater of (i) one per cent of the aggregate consideration paid in completing such business combination or (ii) $750,000.

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