

RNS Number : 5266F
Pires Investments PLC
28 July 2016

Pires Investments PLC
("Pires" or the "Company")

Unaudited interim results for the six months to 30 April 2016

Chairman's Statement

During the period under review the Company continued to incur significant losses though at a lower rate than during the previous twelve months. Operating costs were lower during the period but the full benefit of the cost reduction programme referred to with the results for the year ended 31 October 2015 and announced in April this year had not begun to come through. Costs it is hoped will be significantly lower in the future.

Overall our investments suffered some diminution in value though this was very largely again due to a further drop in value of our holding in Rame Energy plc ("Rame"), about which more will be said below. In respect of our other holdings, our holding in SalvaRx Group plc ("SalvaRx") showed a further modest increase in value as did that in Kennedy Ventures plc ("Kennedy"), though both have fallen back somewhat since the end of the period. Armstrong Ventures plc ("Armstrong") (now called EVR Holdings plc) announced a reverse transaction but the shares unfortunately fell in price on the announcement of this transaction.

In operational terms, positive progress was made in three of our other investee companies. In March a reverse takeover was completed into the then 3Legs Resources plc to acquire SalvaRx Limited, a cancer immunotherapy development group, as described in our full year results issued on 29 April 2016. Since then two particular developments have been announced - the awarding of an Euro 8.3m EU grant to the consortium of which they are a part to take one of SalvaRx's products through phase 2 human testing and an investment in a further cancer drug development company, Intensity Therapeutics Inc, whose lead product is planned to enter human clinical trials this year.

Kennedy, which acquired a tantalite project in Namibia in 2015, began mining in the final months of 2015. It has very recently completed subject to shareholder approval a £2m equity raise to enable it to upgrade its tantalite recovery and to begin work on a potentially valuable lithium deposit that has been discovered in association with the tantalite.

Armstrong announced, just before the end of the period under review the reverse takeover of MelodyVR Limited which provides virtual reality music devices and content. This transaction has been approved by Armstrong shareholders and implemented, along with a change of name to EVR Holdings plc.

Our holdings in Kennedy and Armstrong are relatively small and we have in part profitably realised these investments and will likely continue to divest these holdings.

The performance of Rame, our largest holding, has been particularly disappointing. Having announced their intention to raise up to £2.8m of new equity on 28 April 2016, they have not to date done so and were unable to produce their results within the timescale set by the AIM rules. As a result their shares were suspended on 1 July 2016 and remain so today. The Board is not able to provide any clarification as to when and how this situation is likely to be resolved.

As previously indicated, we continue to seek a single investment or reverse opportunity if possible on a share-for-share basis and we have made further reductions in our operating costs.

The Company has been operating on limited cash resources for some time. In the Circular of 11 March 2016, the Company announced that, as an initial step towards delivering the strategy mentioned in the last paragraph, the Board was proposing to seek to raise fresh equity capital which was expected to be sufficient to enable the Company to investigate suitable opportunities and undertake adequate due diligence in order to move towards execution of a significant acquisition. However, it was later decided by the Board to undertake a smaller capital raise of £100,000, through a subscription at 4.73p, principally subscribed by our largest shareholder, Ambrosia Investment Limited ("Ambrosia"), which now has a 28.8 % holding in the Company.

In view of the position of the Company's investment portfolio and in particular the suspension of trading in the shares of Rame, the Board has arranged a working capital facility, which will be in the form of a convertible unsecured loan note or a similar instrument, with its major shareholder, Ambrosia, up to the value of £200,000 that may be drawn down over a period of eighteen months and will not be repayable until a significant transaction or equity fundraising has been completed.

Conversion of the unsecured loan note (and any interest) may not occur to the extent that, immediately following such conversion, the new fully paid shares which are the subject of such conversion to be issued to the noteholder would carry 30% or more of the voting rights of the Company, unless such conversion is affected as part of a sale of the entire issued share capital of the Company or is part of a mandatory offer for the remaining shares in the Company, under Rule 9 of the Takeover Code.

It is not of course possible in view of its present shareholding position for Ambrosia to subscribe for significantly more ordinary shares without triggering a bid obligation.

As Ambrosia is a related party, the independent directors of the Company, having consulted with our nominated adviser, believe that the terms of the facility are fair and reasonable insofar as shareholders are concerned.

Peter Redmond
Chairman

Enquiries:

Pires Investments plc

Peter Redmond, Director

Tel: +44 (0) 20 7917 1817

Nominated Adviser

Cairn Financial Advisers LLP
Liam Murray

Tel: +44 (0) 20 7148 7900

Broker

Peterhouse Corporate Finance
Duncan Vasey / Lucy Williams

Tel: +44 (0) 20 7469 0935

Tel: +44 (0) 20 7469 0936

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 April 2016**

		Unaudited 6 months ended 30-Apr 2016	Unaudited 6 months ended 30-Apr 2015	Audited Year Ended 31-Oct 2015
		£	£	£
Continuing activities				
	Notes			
Revenue				
Investment income		-	-	134
Other income		13	8,314	6,200
Total revenue		13	8,314	6,334
(Losses) on investments held at fair value through profit or loss		(22,843)	(218,172)	(80,380)
Operating expenses		(130,980)	(145,518)	(380,652)
Operating (loss) from continuing activities		(153,810)	(355,376)	(454,698)
(Loss) before taxation from continuing activities		(153,810)	(355,376)	(454,698)
Tax		342	-	-
(Loss) for the period and total comprehensive income attributable to equity holders of the Company		(153,468)	(355,376)	(454,698)
Basic (loss) per share	3			
Equity holders				
Basic and diluted		(0.006p)	(0.015p)	(0.019p)

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 April 2016

	Unaudited As at 30-Apr 2016 £	Unaudited As at 30-Apr 2015 £	Audited As at 31-Oct 2015 £
Notes			
NON-CURRENT ASSETS			
Property, plant and equipment	503	1,610	1,057
Investment in subsidiaries	1	-	-
TOTAL NON CURRENT ASSETS	504	1,610	1,057
CURRENT ASSETS			
Investments	483,093	561,040	516,520
Trade and other receivables	35,818	138,014	50,561
Cash and cash equivalents	52,681	99,897	61,825
TOTAL CURRENT ASSETS	571,592	798,951	628,906
TOTAL ASSETS	572,096	800,561	629,963
EQUITY			
Called up share capital	11,853,192	11,853,192	11,853,192
Share premium account	2,904,840	2,904,840	2,904,840
Retained earnings	(14,483,815)	(14,299,349)	(14,398,671)
Capital redemption reserve	164,667	164,667	164,667
TOTAL EQUITY	4 438,884	623,350	524,028
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	133,212	177,211	105,935
TOTAL LIABILITIES AND CURRENT LIABILITIES	133,212	177,211	105,935
TOTAL EQUITY AND LIABILITIES	572,096	800,561	629,963

UNAUDITED CASH FLOW STATEMENT
For the six months ended 30 April 2016

	Unaudited 6 months ended 30-Apr 2016 £	Unaudited 6 months ended 30-Apr 2015 £	Audited Year ended ended 31-Oct 2015 £
<i>Notes</i>			
<i>Cash flows from operating activities</i>			
Net cash absorbed by operating activities	5 <u>(38,586)</u>	<u>(123,015)</u>	<u>(335,219)</u>
<i>Cash flows from investing activities</i>			
Payments to acquire investments	-	(80,600)	(80,600)
Proceeds of sale of investments	10,587	-	182,312
Disposal of subsidiary	18,500	-	-
Finance income received	355	-	134
Other income received	-	8,314	-
Net cash (used in)/from investing activities	<u>29,442</u>	<u>(72,286)</u>	<u>101,846</u>
<i>Cash flows from financing activities</i>			
Net repayments on borrowings	-	-	-
Finance costs paid	-	-	-
Net cash from financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents during the period	(9,144)	(195,301)	(233,373)
Cash and cash equivalents at beginning of the period	61,825	295,198	295,198
Cash and cash equivalents at end of the period	<u>52,681</u>	<u>99,897</u>	<u>61,825</u>

Notes to the Unaudited Interim Report

1. GENERAL INFORMATION

Pires Investments PLC (the "Company") is a company domiciled in England whose registered office address is c/o Cooley Services Limited, Dashwood, 69 Old Broad Street, London EC2M 1QS. The condensed interim financial statements of the Company for the six months ended 30 April 2016 is that of the Company only. The Company disposed of its subsidiary, (Ventec Renewable Energy Limited), in February 2016. The condensed interim financial statements for the six months ended 30 April 2015 are those of the Group which had a subsidiary during that period.

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 31 October 2015 has been extracted from the statutory accounts for that period which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The auditors' report on the statutory accounts was unqualified. A copy of those financial statements has been filed with the Registrar of Companies.

The financial information for the six months ended 30 April 2014 and 2015 was also prepared in accordance with IFRS.

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

The condensed interim financial statements were authorised for issue on 30 July 2016.

2. BASIS OF ACCOUNTING

The consolidated financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 October 2015. As permitted, the interim report has been prepared in accordance with the AIM rules for Companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

3. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	Unaudited 6 months ended 30-Apr 2016	Unaudited 6 months ended 30-Apr 2015	Audited Year ended 31-Oct 2015
	£	£	£
Profit/(loss) on continuing activities after tax	(153,468)	(355,376)	(454,698)

Basic and fully diluted

Basic and fully diluted (loss)/earnings per share have been computed based on the following data:

	<i>Number of shares</i>		
Weighted average number of ordinary shares for the period	2,321,659,864	2,321,659,864	2,321,659,864
Basic (loss)/earnings per share from continuing activities (p)	(0.006)	(0.015)	(0.019)

There were no dilutive instruments that would give rise to diluted earnings per share

4. STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Capital Redemption Reserve	Retained Earnings	Total
	£	£	£	£	£
At 1 November 2014	11,853,192	2,904,840	164,667	(13,943,973)	978,726
Loss for the 6 months ended 30 April 2015				(355,376)	(355,376)
At 30 April 2015	11,853,192	2,904,840	164,667	(14,299,349)	623,350
Loss for the 6 months ended 31 October 2015				(99,322)	(99,322)
At 31 October 2015	11,853,192	2,904,840	164,667	(14,398,671)	524,028
At 31 October 2015					
Loss for the 6 months ended 30 April 2016				(153,468)	(153,468)
Adjustment re disposal of subsidiary				68,324	68,324
At 30 April 2016	11,853,192	2,904,840	164,667	(14,483,815)	438,884

5. NOTES TO THE CASH FLOW STATEMENT

	Unaudited 6 months ended 30-Apr 2016 £	Unaudited 6 months ended 30-Apr 2015 £	Audited Year ended 31-Oct 2015 £
Cash flow from operations			
Profit/(loss)	(153,468)	(355,376)	(454,698)
Depreciation	553	553	1,106
Realised loss/(gain) on investments	-	-	(38,969)
Fair value movements in investments	22,843	218,172	119,349
Finance income	(355)	(8,314)	(134)
(Increase)/decrease in receivables	40,522	(15,619)	71,835
Increase/(decrease) in payables	51,319	37,569	(33,708)
Cash flow from operations	(38,586)	(123,015)	(335,219)

6. DISTRIBUTION OF INTERIM REPORT

Copies of the Interim Report for the six months ended 30 April 2016 can be obtained from the Registered Office during normal business hours and are available on the Company's website, www.piresinvestments.com.

This information is provided by RNS

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