

# **Pires Investments plc**

(Incorporated in England and Wales with registered number 02929801)

## Annual Report and Financial Statements

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FOR THE PERIOD ENDED 31 DECEMBER 2020

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## Company Information

### Directors

**Peter Redmond (Chairman)**  
**John May (Non-Executive Director)**  
**Nicholas Lee (Non-Executive Director)**  
**David Palumbo (Non-Executive Director)**

### Secretary

**Robert Porter**

### Registered office

**107 Cheapside**  
London  
EC2V 6DN

### Independent Auditors

**PKF Littlejohn LLP**  
15 Westferry Circus  
London E14 4HD

### Nominated adviser

**Cairn Financial Advisers LLP**  
Cheyne House  
Crown Court  
62-63 Cheapside  
London  
EC2V 6AX

### Joint Brokers

**Peterhouse Capital Limited**  
3<sup>rd</sup> Floor  
80 Cheapside  
London  
EC2V 6EE  
**Tennyson Securities Limited**  
20 Fenchurch Street  
London  
EC2M 3BY

### Registrars

**Computershare Investor Services plc**  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 7NH

### Company Registration number

**02929801**

## Chairman's Statement

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### Highlights

- Total investment of c. £1.7 million made in Sure Valley Ventures ("SVV")
- Return of €804,000 achieved from the sale of Artomatix, one of the companies within the SVV portfolio, representing over a 60% return on our initial investment of £1.1 million in SVV.
- New SVV investments made during the period include:
  - o Buymie, the artificial intelligence-based same day grocery delivery company
  - o Getvisibility, an artificial intelligence data management and security business
  - o Volograms, a reality and volumetric video company
- Follow-on investments by SVV in Admix, which has developed a programmatic monetisation platform for gaming and other entertainment developers, and Buymie.
- Increase in value of portfolio investments in Buymie and Admix
- Direct investments made:
  - o €250,000 in Getvisibility, an artificial intelligence data management and security company
  - o £200,010 in Low6, a white labelled mobile sports betting platform for sports teams/franchises
- Initial investment in the digital assets sector leading to a substantial shareholding in Pluto Digital Assets plc.
- Placing to raise gross proceeds of £1.06 million from both new and existing investors to support the Company's investments in technology plus the exercise of warrants at 4 pence per share which raised £109,010 during the period.
- Cash at period end was in excess of £1 million
- Increase in share price
  - o over the period of almost 140%
  - o from start of the period to 26 April 2021 of almost 400%
- The Company's market value on 26 April 2021 was £19.6 million

### Review of activities

We are very pleased to provide our results for the 14-month period to 31 December 2020. This period has been transformational for the Company.

### Sure Valley Ventures

In November 2019, the Company invested £1.1 million to acquire a 13% interest in Sure Valley Ventures ("SVV"), a venture capital fund focused on investing in the software technology sector with a specific focus on Artificial Intelligence ("AI"), Security, the Internet of Things ("IoT") and Immersive Technologies. SVV currently has a portfolio of 13 investee companies at different stages of development spanning these sectors. The details of the portfolio companies are set out below:

<b>Artificial Intelligence</b>	
Buymie	An artificial intelligence-based same day grocery delivery company.
<b>Security</b>	
Getvisibility	An artificial intelligence security company addressing the substantial problem faced by corporations in storing, sorting, accessing and protecting data.
Nova Leah	An artificial intelligence cyber-security assessment and protection platform for connected medical devices.
Precog	A security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people.
<b>Internet of Things</b>	
Wia	Provision of a platform solution for smart buildings, helping people get back to work post COVID-19.
CameraMatics	Platform enabling transport fleet managers to reduce risk, increase driver safety and comply with growing industry governance and compliance.
Ambisense	Provides sensors and an analysis platform to allow real-time gas and environmental monitoring.

## Chairman's Statement (continued)

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<b>Immersive Technologies</b>	
VR Education	A virtual reality company which has transformed how training and education are delivered and consumed globally.
Admix	A platform enabling the monetisation of interactive programmatic brand placements in, for example, video games.
Warducks	A game development studio known for the production of leading games and is soon to launch an AR game that could be the next Pokémon Go.
VividQ	A deep technology software company which has developed a framework for real-time 3D holographic displays for use in heads-up displays and AR headsets and glasses.
Volograms	A reality capture and volumetric video company.
Virtex	A platform for the next-generation of live, immersive entertainment within the virtual reality ("VR") gaming and e-sports industries.

This portfolio provides Pires with exposure to key, cutting-edge and rapidly growing technology sectors.

The investment in SVV has already proved to be successful for Pires with a realisation and a cash distribution being achieved soon after the investment, as a result of the sale of one of the portfolio companies, Artomatix. Artomatix was sold at a valuation c. 500% of the price of the original investment in the company. Following the progress made by VR Education Holdings plc, which is listed on AIM, SVV also realised the value of its original investment through the partial disposal of its holding. This is the second cash realisation to be made from the Company's investment in SVV.

During the period, SVV have made new investments in:

- Getvisibility, an artificial intelligence security company addressing the substantial and increasing problem faced by corporations in storing, sorting, accessing and protecting data;
- Buymie, an artificial intelligence-based same day grocery delivery company; and
- Volograms, a company whose technology enables consumers to create their own immersive AR and VR content for use in apps, social media and VR headsets with a particular application in the mobile VR market which is expected to grow significantly.

Additionally, a number of the portfolio companies have increased in value during the period. This revaluation is principally based on subsequent funding rounds which have taken place at higher valuations than at the time of the initial investment. In particular, the valuation of Buymie has increased by c. 200% since the original investment in April 2020, as part of a second round of investment of €5.8 million into this company in June 2020, in which SVV also participated. Admix also raised US\$6.1 million at a valuation representing 450% of the company's valuation at the time of SVV's initial investment.

### Direct investments

During the period, Pires also made a direct investment of €250,000 in Getvisibility, an artificial intelligence security company addressing the substantial and increasing problem faced by corporations in storing, sorting, accessing and protecting data. The Company also invested £200,010 in Low6 which provides a white-labelled mobile platform to sports teams/franchises that enable them to offer a pooled sports betting experience to users of their fan- based apps. This company is on track to IPO in Q2 2021.

### Digital assets

The Company started to execute its strategy of investing into the digital assets sector, including Web 3.0 and decentralised technology, with a focus on platform services and digital infrastructure opportunities. The Company's investment into DeTech Studio Limited also provided exposure to YOP tokens whilst mitigating cryptocurrency market volatility. Subsequently this investment has been used to subscribe for shares in Pluto Digital Assets plc, a technology services and platform company that invests in, incubates and advises digital asset projects based on decentralised technologies. The Company's strategy will continue to seek exposure to this sector where there is real market application and strong potential for adoption whilst, at the same time, mitigating the volatility of direct cryptocurrency exposure.

## Financial

For the 14-month period under review, the Company reported a loss before taxation of £687,000 (for the year ended 31 October 2019: profit before taxation of £866,000). The loss for the Company includes unrealised gains/losses in the portfolio of quoted equity investments which are marked to market, plus any return from and adjustment to the carrying value of the unlisted investments, which now comprise the much greater part of the investment portfolio. During the previous period, the Company recognised a significant unrealised gain on its holding in Eco (Atlantic Oil & Gas Limited (“Eco”). The Company’s current residual holding in Eco, which has now been substantially disposed of, reduced in value thereby generating a loss. However, overall, Eco has been a successful investment for the Company, generating net cash proceeds of £1.57 million and realising a profit of almost £1 million during the period of ownership. Meanwhile, gains during this period were made from the Company’s technology investments, principally driven by the sale of Artomatix.

Net assets as at the end of the period amounted to £2,926,000 (31 October 2019: £2,565,000). Whilst the Company’s net assets have increased by 14% over the period, we do not believe that absolute net asset value fairly represents the Company’s financial potential, given the scope for significant valuation uplift of the companies within the portfolio. This is clearly demonstrated by the gains, both realised and unrealised, that have been achieved to date from the investment portfolio. Furthermore, it is worth reiterating that realisations that are achieved within the SVV portfolio result in cash distributions to the Company and are not retained within the fund. In addition, the net asset value figures do not take into account the significant unrealised gains made on the investment in the digital assets sector, Sure Ventures plc and the further exercise of warrants all of which took place after the period end.

During the period, the Company undertook a placing to raise gross proceeds of £1.06 million from both existing and new investors. As part of the fund raising, 53,000,000 warrants were issued with an exercise price of 4 pence, a 100% premium to the placing price of 2 pence. As at the period end, 2,725,018 warrants had been exercised, raising £109,010 for the Company during the period.

With regard to COVID-19, the Company has been fortunate in its ability to be trading as normal. Furthermore, the Board firmly believes that the investments we have made are well positioned against this backdrop.

## Post the period end

Since the period end, the Company has been very active and has continued to make excellent progress. The Company’s investment in the digital assets sector now comprises a holding in Pluto Digital Assets plc (“Pluto”). Pluto is a crypto venture capital and technology company that connects Web 3.0 decentralised technologies to the global economy. Pluto invests in, incubates and advises digital asset projects based on decentralised technologies, decentralised finance and networks, such as Ethereum and Polkadot. Pluto also supports the operation of proof-of-stake networks by staking and operating validator nodes.

The Company’s equity holding in Pluto is valued at almost £2 million based on Pluto’s most recent fundraising, which represents a very significant uplift on the Company’s initial investment and which is not reflected in the figures for the period under review. In recent months Pluto has raised a substantial amount of new capital and is also in the process of preparing for a stock market listing.

The Company has also significantly increased its effective interest in SVV from 13% to c. 20% through the purchase of a 28% shareholding in Sure Ventures plc, the principal asset of which is a 25.9% holding in SVV. This investment amounted to £1.95 million with the consideration comprising the issue of new Pires shares.

The Company has also increased its investment in Low6 and has made a new investment of £250,000 in Polience Limited (“Precog”) a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people, as part of its £1 million fundraising round.

SVV has also made a new investment in Virtex, a company building a platform for the next-generation of live, immersive entertainment within the virtual reality (“VR”) gaming and e-sports industries and Precog. Furthermore, CameraMatics has also raised €4 million in additional funding at a valuation that represents over 300% of the CameraMatics’ valuation as at the time of SVV’s initial investment in November 2017.

Since 1 January 2021, the holders of 13,003,579 warrants over ordinary shares in the Company have exercised their warrants at 4 pence per share with total consideration of £520,143. Unexercised warrants currently total 37,271,403 and the total ordinary shares of the Company in issue are currently 149,592,206.

The Company is also very pleased to welcome a new director, David Palumbo, to the Board. David is currently CEO of EQTEC plc and brings a wealth of experience in the venture capital and technology sectors.

## Chairman's Statement (continued)

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### Outlook

As stated at the beginning of the statement, this period has been transformational for Pires. Our investment strategy is focused on next generation technology businesses with significant potential for accelerated growth across sectors such as AI, Security, IoT and Immersive Technologies, as well as the digital assets sector. We remain encouraged by the progress made to date by our investments and the outlook for the respective sectors in which they operate.

In summary, we believe that the Company's investments in the technology sector have already proven to have been successful, with a substantial amount of our original investment in SVV already having been returned to the Company. Going forward, the Company is very well positioned to become a leading next generation technology investment company with an exciting portfolio of technology companies that have the potential for significant growth and the ability to deliver real returns for shareholders.

Peter Redmond

**Chairman**

27 April 2021

## Strategic Report

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### Business review and future developments

The Company is an investment company listed on AIM focused on investment in next generation technology.

#### Investment portfolio

During the period ended 31 December 2020, the Company completed its initial investment in Sure Valley Ventures and made direct investments in Getvisibility and Low6. It invested in the digital assets sector by way of an investment in DeTech Studio Limited which provided the Company with an interest in YOP tokens. Further details regarding these investments are set out in the Chairman's Statement on page 2. The Company also raised c. £1 million in new capital from new and existing investors. The Company's holding in Eco was substantially disposed of during the period.

As at 31 December 2020, the Company's investment portfolio comprised:

Investment portfolio	Value (£000's)*
Investment in Sure Valley Ventures	1,507
Direct investments (Getvisibility and Low6)	419
Investment in digital assets sector (DeTech Studio and YOP)	Nil at y/e
Listed securities	103
<b>Cash</b>	<b>1,019</b>
<b>Total</b>	<b>3,048</b>

\*At the period end, the investment in the digital assets sector had not been completed. The portfolio valuations are based on the market valuation where the investments are listed or at cost or fund valuation where they are unlisted.

#### Going concern

During the period under review, the Company's activities resulted in a loss of £687,000 (2019: profit of £866,000). As at 31 December 2020, the Company's cash balance was £1,019,000 (2019: £1,427,000) and the Company had minimal liabilities.

The Company's forecast administrative expenses in the 12-month period from the signing of these financial statements are more than supported by the cash balances held as at 31 December 2020, and at the date of signing of these accounts. Furthermore, the Company also retains a portfolio of listed and unlisted investments some of which could be readily realised on the open market to meet a possible shortfall in the unlikely event that it was to arise. Also, given the investments that comprise the Company's investment portfolio, it is highly likely that one or more may experience a liquidity event in the next 12 months. Furthermore, the cash used for investment is discretionary in nature. The Company also has c. 37 million warrants outstanding and exercisable at 4 pence for up to two years from the date of issue compared to the share price as at 23 April 2021 of 13.1 pence. It is therefore highly likely that a number of these warrants will be exercised thereby providing additional funds for the Company.

The Directors therefore consider that, based upon their financial projections, the Company will be a going concern for the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### Investing Policy

The Company's revised investing policy was approved by shareholders on 3 October 2019. A copy of the investing policy is available on the website ([www.piresinvestments.com](http://www.piresinvestments.com)).

#### Financial risk management objectives and policies

Details of the Company's financial instruments and financial risk management policies can be found in notes 11 and 12 to the financial statements.



## Key performance indicators

As an investment company at this stage of its development, the key performance indicators principally comprise growth in net asset value and share price appreciation. It is also important to have sufficient cash or liquid assets in order to be able to take advantage of investment opportunities as they arise.

The key performance indicators are set out below:

	31 December 2020 £	31 October 2019 £	Change %
Share price – pence	0.0625	0.0265	136%
Net asset value	2,926,000	2,565,000	14%
*Net asset value – pence per share	0.027	0.048	(44%)
Cash and cash equivalents	1,019,000	1,427,000	(29%)

The Company's net asset value whilst being used as a performance indicator is not a true measure of the Company's underlying value due to the conservative nature of the Company's basis of valuation of its investment portfolio and that it does not necessarily reflect the true potential of the underlying investment which is clearly demonstrated by the gains that are being made in the portfolio whether by realisation or uplift as a result of subsequent rounds of investment taking place at higher valuations.

\* Based on weighted average of number of shares in issue during the period.

## Principal business risks and uncertainties

### *Dependence on key executives and personnel*

The Company's future development and prospects are substantially dependent on the continuing services and performance of the Directors. The Directors cannot give assurances that they will remain with the Company, although the Directors believe that the Company's culture and remuneration packages are attractive. If key members of the Company's management team depart, or are affected by illness, such as COVID-19, and the Company is not able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

### *Impact of COVID-19*

The impact of a continued outbreak of COVID-19 or any other severe communicable disease, if uncontrolled, on the general economic climate could have an adverse effect on the Company. The continuing outbreak of COVID-19 may have an adverse effect on the Company's business, financial situation, growth and prospects and has already had a material adverse effect on overall business sentiment and the global economy. There is no assurance there will not be similar outbreaks of other diseases in the future. The impact of the imposition by governments across the world of stringent measures to prevent the spread of COVID-19 or other diseases, and the effect of COVID-19, or any other severe communicable diseases outbreak in the future, on the employees of the Company, could adversely affect the performance of the business activities of the Company and those of the customers, which could lead to a decrease in the demand for their services. It is too early to tell what the long-term impact of COVID-19 will be on the Company's current and future prospects and to what extent it may have a material and adverse effect on the Company's business, results of operations and financial performance.

### *Identifying suitable targets*

The Company is dependent upon the ability of the Directors to identify suitable investment opportunities in accordance with its Investing Policy. There is no guarantee that the Company will be able to source further opportunities, or complete investments, at an appropriate price, or at all, as a consequence of which resources may be expended on investigative work and due diligence without achieving a return.

### *Market conditions*

Market conditions may have a negative impact on the Company's ability to make investments in suitable entities which generate acceptable returns. There is no guarantee that the Company will be successful in sourcing suitable investments.

## Strategic Report (continued)

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### *Costs associated with potential investments*

The Company may incur certain third-party costs associated with the sourcing of suitable investments. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given investment will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

### *Valuation error*

The Company may miscalculate the realisable value of an investment in a project. A lack of reliable information, errors in assumptions or forecasts and/or inability to successfully implement an investment, among other factors, could all result in the project having a lower realisable value than anticipated. If the Company is not able to realise an investment at its anticipated levels of profitability, projected investment returns could be adversely affected.

### *Funding*

If the Company identifies and wishes to pursue an investment opportunity, it is likely to need to raise further funds for further working or development capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to invest on a basis which is acceptable to shareholders.

### *Political and Country Risk – BREXIT*

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union (EU). As a result of the UK leaving the EU, the Company may be subject to ongoing uncertainty surrounding this situation. The Company is monitoring matters and seeking advice as to how to mitigate the risks arising if and when they may occur.

### **Assessment of Business Risk**

The Board regularly reviews operating and strategic risks and considers in such reviews financial and non-financial information including:

- a review of the business at each Board meeting, focusing on any new decisions/risks arising;
- the performance of investments; and
- selection criteria of new investments; and
- reports prepared by third parties.

### **Section s172 Statement – Promotion of the Company for the benefit of members as a whole:**

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interest of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and

The application of s172 requirements can be demonstrated in relation to some of the key decisions made during 2020:

- The Directors are committed to developing and applying high standards of corporate governance. The Board of Directors has applied the QCA Code, revised in April 2018 as devised by the Quoted Companies Alliance;
- Raising of additional funds for the Company for investment purposes; and
- The making of investments that have generated significant returns for the Company and its shareholders.

Peter Redmond  
**Director**  
27 April 2021

## Directors' Report

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The Directors present their annual report and the audited Company financial statements of Pires Investments plc for the period ended 31 December 2020. The Company extended the accounting reference date to 31 December and therefore this annual report covers a 14-month period and therefore certain amounts presented in the profit and loss account are not entirely comparable to the prior year ended 31 October 2019 which covered a 12-month period. The reason for extended the accounting period was to ensure the year end and ongoing interim periods were more in line with the valuation dates of its principal investments.

The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange under the ticker PIRI.

### Results and dividends

The Company's loss from continuing activities for the period was £687,000 (2019 profit: £866,000). The Directors are not recommending the payment of a dividend (2019: nil).

### Principal activities and review of business

The principal activity of the Company throughout the period under review and since has been as an investment company involved in the seeking, investigation, making of and sale of investments.

The review of the business is contained within the Strategic Report on page 4.

### Events after the Reporting Period

On 15 January 2021, the Company announced that it had completed its investment in DeTech Studio Limited which is developing a decentralized finance technology platform ("YOP"). As part of the Company's announced investment of US\$200,000, the Company was issued with 4 million YOP tokens. At the same time, the Company announced that it had used 2 million of its YOP tokens to subscribe for new shares in a digital assets technology company, Pluto Digital Assets plc ("Pluto").

On 5 February 2021, the Company made a further investment of £100,000 in Pluto as part a fundraising by Pluto to raise £2.5 million.

On 12 February 2021, the Company announced that it had acquired 1.5 million shares in Sure Ventures plc ("SV plc") from existing shareholders of SV plc. The total consideration of £1.95 million was satisfied through the issue of 14,391,144 new ordinary shares in the Company at a price of 13.55 pence per share. This purchase provided the Company with a 28% shareholding in SV plc. SV plc is a listed specialist fund which has a 25.9% interest in Sure Valley Ventures ("SVV"), the technology-focused venture capital fund in which Pires itself has an existing 13% direct interest. In view of SVV's successful track record to date, the Directors believe that it would be attractive for Pires to increase its overall interest in SVV. The purchase will thereby enable Pires to increase its overall effective interest in SVV to c. 20%.

On 26 February 2021 the Company announced a further investment of £35,000 in Low6 Limited ("Low6") as part of the extension of Low6's pre-IPO funding round in which the Company had invested £200,010 in December 2020.

On 4 March 2021, the Company announced that it had used the balance of its holding in YOP tokens and its shareholding in DeTech Studio Limited to subscribe for new shares in Pluto as part of Pluto's second fund raising to raise in excess of £20 million. Post this subscription, Pires will hold 32,518,876 shares in Pluto which will be the Company's principal investment in the digital assets sector.

On 15 March 2021, the Company announced that it has invested £250,000 in Polience Limited ("PreCog"), a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people, as part of a £1 million fundraising round. The funding for this investment has been satisfied from Pires' existing cash resources. Sure Valley Ventures, in which Pires has an effective overall interest of c. 20%, has invested the remaining £750,000 from the round.

Since 1 January 2021, the holders of 13,003,579 warrants over ordinary shares in the Company have exercised their warrants at 4 pence per share with total consideration of £520,143. Unexercised warrants currently total 37,271,403 and the total ordinary shares of the Company in issue are currently 149,592,206.

### COVID-19

COVID-19 is a developing situation and, as at the date of these financial statements, the assessment of this situation will need continued attention and will evolve over time. In our view, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made to the financial statements as a result. The rapid development and fluidity of the Covid-19 virus makes it difficult to predict the ultimate impact at this stage. Management has assessed the impact and believes there are no effects on the Company.

**Directors' Report (continued)**

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**Directors**

The following Directors have held office since 1 November 2019:

Peter Redmond  
John May  
Nicholas Lee

David Palumbo was appointed a director on 1 February 2021

**Charitable and political donations**

No charitable or political donations were made during the period (2019: nil).

**Substantial shareholders**

As at 23 April 2021, this shareholder information is based on the Pires Investments plc share register and disclosures made by shareholders:

	<b>Ordinary shares of 0.25p each Number</b>	<b>% of the issued ordinary share capital</b>
RiverFort Global Opportunities plc	26,149,993	17.49%
Christopher Akers	23,535,000	15.73%
Ashok Patel	8,000,000	5.35%
John Mahtani	5,477,600	3.66%
Nicholas Clark	5,300,000	3.54%

Nicholas Lee, a director of the Company, is also the Investment Director of RiverFort Global Opportunities plc.

The Directors had no beneficial interests in the share capital of the Company as at 31 December 2020 and 31 October 2019, or throughout these respective periods.

**Auditor**

PKF Littlejohn LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Peter Redmond  
**Director**  
27 April 2021

## Report on Remuneration

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### Policy on Directors' remuneration

The policy of the Board is to provide remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Company's position. The remuneration will reflect the Directors' responsibilities and time commitment.

### Remuneration of the Directors

During the period, the following remuneration and other benefits were charged to the Company; the amounts noted for 2020 are for a period of 14 months:

	<b>Salary 2020 £</b>	<b>Bonus 2020 £</b>	<b>Fees 2020 £</b>	<b>Total 2020 £</b>	Total 2019 £
Peter Redmond	<b>34,500</b>	<b>25,000</b>	<b>4,500</b>	<b>64,000</b>	47,000
John May	<b>26,500</b>	<b>25,000</b>	<b>12,500</b>	<b>64,000</b>	47,000
Nicholas Lee	<b>48,000</b>	<b>35,000</b>	-	<b>83,000</b>	47,000
	<b>109,000</b>	<b>85,000</b>	<b>17,000</b>	<b>211,000</b>	141,000

As at 31 December 2020, £nil Directors fees (2019: £nil) have been deferred for payment. All remuneration is considered to relate to short term benefits.

### Directors' interests

The Directors' had no beneficial interests in the share capital of the Company as at 31 December 2020 and 31 October 2019.

Peter Redmond  
**Director**  
27 April 2021

## Statement of Directors' Responsibilities

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### Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Company financial statements in accordance applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Parent Company and of the profit or loss of the Company for that period. In preparing those financial statements, International Accounting Standard 1 requires the Directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information

In the case of each of the persons who are acting as Directors of the Company at the date when this report was approved:-

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of the which the Company's auditor is not aware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

The Directors are also responsible for the maintenance and integrity of the investor information contained on the website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Publication of Accounts on the Company Website

Financial statements are published on the Company's website: [www.piresinvestments.com](http://www.piresinvestments.com). The maintenance and integrity of the website is the responsibility of the Directors. The Directors responsibility also extends to the financial statements contained therein.

By order of the Board

Peter Redmond  
**Director**  
27 April 2021

## Corporate Governance Report

Annual Report and Financial Statements  
FOR THE PERIOD ENDED 31 DECEMBER 2020

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The Company's shares are traded on AIM and on 28 August 2018, the Company formally adopted the QCA Corporate Governance Code and this is reproduced below. The Board is accountable to the Company's shareholders for good corporate governance. This report and the Remuneration Report describe how the Company applies the provisions of good corporate governance.

### Directors

The Board currently consists of the Chairman and three other Directors. It is responsible for approving Company policy and strategy and for implementing it with support from advisers. The Directors will review the composition of the Board on a regular basis. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

### Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance. The Annual General Meeting is used to communicate with investors and they are encouraged to participate and the Directors are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration.

### Audit and Compliance Committee

During the year the Audit Committee comprised John May and Peter Redmond. The Committee has met with the auditor and considered the results and the audit process, and has satisfied itself as to the auditor's independence during the year.

### Remuneration Committee

During the year the Remuneration Committee comprised John May and Nicholas Lee. The policy of the Company on remuneration is to reward individual performance so as to promote the best interests of the Company and enhance shareholder value. The remuneration of Directors is approved by the Board. Individual Directors do not participate in decisions concerning their own remuneration.

### Internal control

The Board is committed to the maintenance of effective internal controls. The Board recognises its responsibility for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has determined that there is currently no requirement for an internal audit function whilst it is undertaking its current activities. However, the Directors will continue to review the requirement for an internal audit function on a regular basis.

### Compliance with Governance Code

Following a consultation by the London Stock Exchange, new AIM Rules were published in March 2018. One of the key amendments is in respect of AIM Rule 26 (as set out in AIM Notice 50), which now requires AIM companies to state on their website which recognised corporate governance code they apply and how they have applied that code.

The Board of Directors of Pires Investments PLC ("Pires" or "the Company") is committed to developing and applying high standards of corporate governance. The Board of Directors has applied the QCA Code, revised in April 2018 as devised by the Quoted Companies Alliance.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. The QCA Code takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies.

A revised version of the QCA Code (the "Revised Code") was published in April 2018, based on the 'comply or explain' principle.

The QCA Code is constructed around ten broad principles (accompanied by an explanation of what these principles entail, under 'application') and a set of disclosures. The Code states what is considered to be appropriate arrangements for growing companies, and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

The table below sets out the principles, the application recommended by the QCA code. It then sets out how the Company complies with these requirements and departures from code, and provides links to appropriate disclosures. These are based upon the recommended disclosures provided in the QCA code.

## Corporate Governance Report (continued)

Annual Report and Financial Statements  
FOR THE PERIOD ENDED 31 DECEMBER 2020

These disclosures were last reviewed on the 24 April 2021.

Principles:	Application:
<p>1. Establish a strategy and business model which promote long-term value for shareholders</p>	<p>The Company is an Investing Company and the Board has adopted a strategy appropriate for its status.</p> <p>The Company's Investing Policy is to invest principally, but not exclusively, in the natural resources, and technology sectors. The Company will consider investments in the United Kingdom, Ireland and mainland Europe more generally but will also consider investments in wider geographical regions. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings. Once a target has been identified, additional funds may need to be raised by the Company to complete a transaction.</p> <p>The proposed investments to be made by the Company may be in either quoted or unquoted securities made by direct acquisition and may be in companies, partnerships or joint ventures; or direct interests in projects and can be at any stage of development. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.</p> <p>The Company will identify and assess potential investment targets and where it believes further specialist investigation is required, it intends to appoint appropriately qualified advisers to assist.</p> <p>The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of any potential investment will be subject to rigorous due diligences, as appropriate. It is likely that the Company's financial resources will be invested in a small number of projects or investments or potentially in an investment which may be deemed to be a reverse takeover under the AIM Rules. Where this is the case, it is intended to mitigate risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules will require shareholder approval. The possibility of building a broader portfolio of investment assets will also be considered.</p> <p>The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends. Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.</p> <p>The Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Directors will also consider appointing additional directors with relevant experience if the need arises.</p> <p>The objective of the Directors is to generate capital appreciation and any income generated by the Company will in the first instance be applied to cover costs or will be added to the funds available to further implement the Investment Policy. However, they may recommend or declare dividends at some future date depending on the financial position of the Company.</p>
<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.</p> <p>In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.</p> <p>Investors also have access to current information on the Company through its website, <a href="http://www.piresinvestments.com">www.piresinvestments.com</a>.</p>



<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>The Board recognises that the long-term success of the Group is reliant upon the efforts of its directors. The Company does not currently have any other employees, and upon its contractors, suppliers and regulators.</p> <p>The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.</p> <p>For example, the Board ensures that all key relationships with, for example, customers and suppliers are the responsibility of, or are closely supervised by, one of the directors or the Company's accountant.</p>																				
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>In addition to its other roles and responsibilities the Audit and Compliance Committee (see composition details in Corporate Governance section of website) is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Company.</p> <p>The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place.</p> <p>This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Compliance Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis.</p> <p>The following principal risks, and controls to mitigate them, have been identified:</p> <table border="1" data-bbox="512 1048 1485 1653"> <thead> <tr> <th>Activity</th> <th>Risk</th> <th>Impact</th> <th>Control(s)</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>Recruitment and retention of key staff</td> <td>Reduction in operating capability</td> <td>Stimulating and safe working environment. Balancing salary with longer term incentive plans.</td> </tr> <tr> <td>Regulatory adherence</td> <td>Breach of rules or product requirements</td> <td>Censure or withdrawal of authorization</td> <td>Strong compliance regime</td> </tr> <tr> <td>Strategic</td> <td>Damage to reputation Inadequate disaster recovery procedures</td> <td>Inability to secure new customers. Loss of key operational and financial data.</td> <td>Effective communications with shareholders. Secure off-site storage of data.</td> </tr> <tr> <td>Financial</td> <td>Liquidity, market and credit risk.</td> <td>Inability to continue as going concern.</td> <td>Robust financial controls and procedures in place.</td> </tr> </tbody> </table> <p>The directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. In addition there are a range of Company policies that are reviewed at least annually by the Board. These policies cover matters such as share dealing and insider legislation. The Board currently takes the view that an internal audit function is not considered necessary or practical due to the size of the Company and due to the close day to day executive control exercised by the Chairman, with the oversight / review of the other directors. However, the Board will continue to monitor the need for an internal audit function.</p> <p>The annual review of internal control and financial reporting procedures did not highlight any issues warranting the introduction of an internal audit function. It was concluded, given the current size and transparency of the operations of the Company, that an internal audit function was not required.</p>	Activity	Risk	Impact	Control(s)	Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment. Balancing salary with longer term incentive plans.	Regulatory adherence	Breach of rules or product requirements	Censure or withdrawal of authorization	Strong compliance regime	Strategic	Damage to reputation Inadequate disaster recovery procedures	Inability to secure new customers. Loss of key operational and financial data.	Effective communications with shareholders. Secure off-site storage of data.	Financial	Liquidity, market and credit risk.	Inability to continue as going concern.	Robust financial controls and procedures in place.
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## Corporate Governance Report (continued)

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	<p>As noted in the Strategic Report in the Annual Report, the Board regularly reviews operating and strategic risks and considers in such reviews financial and non-financial information including:</p> <ul style="list-style-type: none"> <li>• a review of the business at each Board meeting, focusing on any new decisions/risks arising;</li> <li>• the performance of investments;</li> <li>• selection criteria of new investments; and</li> <li>• reports prepared by third parties.</li> </ul>
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The Board comprises, the Chairman Peter Redmond, who has key responsibility for the day to day management and three non- executive directors, John May, Nicholas Lee and David Palumbo.</p> <p>The Board is assisted by Robert Porter with respect to financial accounting and as Company Secretary.</p> <p>The time commitment formally required by the Company is an overriding principal that each director will devote as much time as is required to carry out the roles and responsibilities that the director has agreed to take on. Biographical details of the current directors are set out within Principle Six below.</p> <p>Executive and non-executive directors are subject to re-election intervals as prescribed in the Company's Articles of Association.</p> <p>At each Annual General Meeting one-third of the Directors, who are subject to retirement by rotation shall retire from office. They can then offer themselves for re-election. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.</p> <p>The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.</p> <p>They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.</p> <p>The Board meets as regularly as necessary given its AIM status. It has established an Audit and Compliance Committee and a Remuneration Committee, particulars of which appear hereafter. The Board agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee.</p> <p><b>Board Meetings</b></p> <p>The Board retains full control of the Company with day-to-day operational control delegated to the Chairman and the Non-Executive Directors. The full Board meets on occasions it considers necessary.</p> <p>The Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Directors will also consider appointing additional directors with relevant experience if the need arises.</p> <p>In the past 14 months there have been 14 board meetings and the Audit and Compliance and Remuneration Committee have met on 2 occasions respectively.</p> <p>Attendance at the board meetings is set out below:</p> <p>Peter Redmond 14/14 John May 14/14 Nicholas Lee 14/14</p>

<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Board currently consists of four directors and, in addition, the Company uses the services of Robert Porter for financial accounting and advisory services and also to act as Company Secretary.</p> <p>Nicholas Lee, although a non-executive director, is not considered independent as he is a director of Riverfort Global Opportunities plc that has a substantial shareholding in Pires.</p> <p>John May and David Palumbo are currently the Company's independent non-executive directors.</p> <p><b>Peter Redmond, Chairman</b></p> <p>Peter is a corporate financier with over 30 years of experience in corporate finance and venture capital. He has acted on and assisted a wide range of companies to attain a listing over many years on the Unlisted Securities Market, the Main Market of the London Stock Exchange and AIM, whether by IPO or in many cases via reverse takeovers, across a wide range of sectors, ranging from technology through financial services to natural resources and, in recent years has done so as a director of the companies concerned. He was a founder director of Cleeve Capital plc (now Satellite Solutions Worldwide Group plc) and Mithril Capital plc (now Be Heard Group plc), both listed on the Standard List, and took a leading role in the reconstruction and refinancing of AIM-quoted Kennedy Ventures plc and 3Legs Resources plc (now SalvaRx Group plc). He is a director of Hemogenyx plc and URA Holdings plc.</p> <p><b>John May – Director</b></p> <p>John is a Fellow of the Institute of Chartered Accountants in England and Wales. He is the Managing Partner of City &amp; Westminster Corporate Finance LLP, an FCA registered partnership. He is chairman of the Small Business Bureau Limited and The Genesis Initiative Limited, lobbying groups for small business to the UK Parliament. Mr May has been the principal of his own chartered accountancy practice since 1994. From 1977 to 1994, Mr May was a senior partner with what is now Crowe UK, where he served for eight years on the managing board and for nine years as chairman of its Thames Valley offices. In his capacity as UK national marketing partner and head of its property consultancy division, he was a director of its UK and international associations. Mr May was finance director of AIM listed Security Research Group plc, until December 2005 and Tomco Energy Plc until July 2011 and a non-executive director of AIM listed Petrolatina Energy plc until March 2012. He is the executive chairman of Red Leopard Holdings plc and was non-executive chairman of Hayward Tyler Group Plc until August 2017 which were both listed on AIM.</p> <p><b>Nicholas Lee – Director</b></p> <p>Nicholas has more than 30 years of experience in international investment banking and working as a company director. Nicholas was with Dresdner Kleinwort and its antecedent firms from 1988 to 2009, starting at Kleinwort Benson Group plc and rising to Managing Director, Head of Banking, Hedge Fund Solutions Group. Previously as a Managing Director in mergers and acquisitions at Dresdner Kleinwort Wasserstein, Nicholas advised leading companies from a number of different industries, including the natural resources, financial services, consumer and retail sectors. Nicholas is currently a director of a number of listed companies. Nicholas qualified as a chartered accountant with Coopers &amp; Lybrand and has an MA in engineering from St John's College, Cambridge.</p>
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## Corporate Governance Report (continued)

Annual Report and Financial Statements  
FOR THE PERIOD ENDED 31 DECEMBER 2020

	<p>David Palumbo – Director</p> <p>David is currently the Chief Executive Officer of AIM-listed EQTEC plc (“EQTEC”), a leading gasification technology solutions company for sustainable waste-to-energy projects, having joined EQTEC’s board in August 2019. David is an experienced entrepreneur with over 20 years of experience in private equity, venture capital and asset management. Since 2006, he has founded and co-founded a number of companies in various industries such as cleantech, digital technology, and real estate. David is also the Founding and Managing Partner of Origen Capital LLP, a private investment firm representing family offices and private consortia in Europe, CIS and Latin America. He holds a BSc and an MSc in electrical engineering.</p>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>Evaluation of Board Performance:</p> <p>Internal evaluation of the Board, the Committees and individual directors is important and will develop as the status of the Company changes in the future. The expectation is that board reviews will be undertaken on annual basis in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas. The Company currently has the Chairman (Peter Redmond) in an executive capacity.</p> <p>The Chairman is the person responsible for guiding the business of the Board and ensuring long-term strategic focus and investments. The QCA Code recommends that this role should be undertaken as a non-executive role.</p> <p>As the Company develops and grows, it is committed to strengthen and reorganise the Board with the appointment of further experienced non-executive directors in order to maintain appropriate balance.</p>
<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Corporate Culture:</p> <p>The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company.</p> <p>The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. The Company does not currently have any other employees.</p> <p>Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Company to successfully achieve its corporate objectives.</p> <p>The Board places great importance on this aspect of corporate life and seeks to ensure, through regular discussions between all directors, that this flows through all that the Company does.</p> <p>The Board assessment of the culture within the Company at the present time is one where there is respect for all individuals, there is open dialogue within the Company and there is a commitment to best practice operations.</p> <p>The Board is able to ensure ethical behaviour and values are recognised and respected through its due diligence process when directing the investing strategies of the Company. All investment decisions are made in furtherance of the Company’s strategy and business model.</p>

<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>Maintain Appropriate Governance Structures and Processes: The Board schedule provides for quarterly meetings and, in addition, meets ad-hoc as required. Similarly for the Audit and Compliance and Remuneration Committees.</p> <p>Notwithstanding the above the Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion.</p> <p>Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management.</p>
<p>10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.</p> <p>A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website, <a href="http://www.piresinvestments.com">www.piresinvestments.com</a>.</p>

Peter Redmond

**Director**

27 April 2021

## Independent auditor's report to the members of Pires Investments Plc

Annual Report and Financial Statements  
FOR THE PERIOD ENDED 31 DECEMBER 2020

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### Opinion

We have audited the financial statements of Pires Investments Plc (the 'company') for the period ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity the Statement of Financial Position, , the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

### In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Our application of materiality

Materiality for the Company financial statements as a whole was set at £154,000 (2019: £43,300) with performance materiality of £115,700 (2019: £32,400).

This has been calculated at 5% of the benchmark of Net Assets (2019: 5% of the benchmark of the Net Assets), which we have determined in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We report to the directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £7,700 (2019: £2,413), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

### An overview of the scope of our audit

In designing the audit, we determined materiality and assessed the risk of material misstatement in the financial statements, in particular, we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We addressed the risk that the investments are not correctly valued by confirming ownership, external share prices, reviewing disclosures and whether management's assumptions were reasonable, considering both listed and unlisted investments.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**

## Investments

The Company holds assets at fair value through the profit and loss of £2,028,786 2019: £1,165,109 (see note 10). Due to a change in the company's investment strategy in the period, unquoted investments now account for a significant portion of the total assets of the company. There is a risk that investments are not valued correctly in accordance with IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement." This is a key audit matter due to the material nature of the balance, as well as being the key source of the revenue of the Company.

The fair value of the unquoted investments is determined based on Level 3 of the fair value hierarchy which involves significant management judgement. The risk of material error in valuations is greater for those investments which do not have readily available quoted prices.

**How the scope of our audit responded to the key audit matter**

Our procedures included, but were not limited to the following:

- Obtaining an understanding of management's processes for determining the fair value of unquoted investments. This included discussing methodology with management and enquiring as to their oversight of the valuation process.
- Comparing period end prices of investments from external sources to those used by management where applicable
- Comparing management's valuation methodology to recognised valuation standards and guidelines, and the appropriateness of valuation methods used.
- Carrying out an assessment of the appropriateness of management's assumptions and obtaining explanations from management where there were significant judgements applied in determining the investment valuations.
- Ensuring that the company has full title to the investments held.
- Reviewing the adequacy of the disclosures in the financial statements, including in respect of the valuation methodology, assumptions and fair value hierarchy used.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Independent auditor's report to the members of Pires Investments Plc (continued)

Annual Report and Financial Statements  
FOR THE PERIOD ENDED 31 DECEMBER 2020

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### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Herbert (Senior Statutory Auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor  
London, United Kingdom

15 Westferry Circus  
Canary Wharf  
London E14 4HD

27 April 2021



## Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	14 month period ended 31 December 2020 £000's	Year ended 31 October 2019 £000's
<b>CONTINUING ACTIVITIES</b>			
<b>Income</b>			
Other Income	5	<b>1</b>	1
<b>Total income</b>		<b>1</b>	1
(Loss)/gain on investments held at fair value through profit or loss	10	<b>(149)</b>	1,152
Operating expenses		<b>(539)</b>	(287)
<b>Operating (loss)/profit from continuing activities</b>		<b>(687)</b>	866
<b>(Loss)/profit before taxation from continuing activities</b>		<b>(687)</b>	866
Tax	7	-	-
<b>(Loss)/profit for the year from continuing activities</b>		<b>(687)</b>	866
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income attributable to equity holders of the Company</b>		<b>(687)</b>	866
<b>Basic (loss)/profit per share</b>			
Equity holders			
Basic and diluted	8	<b>(0.64p)</b>	1.64p

The accounting policies and notes are an integral part of these financial statements.

**Statement of Changes in Equity**

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Share Capital £000's	Share Premium £000's	Capital Redemption Reserve £000's	Retained Earnings £000's	Total £000's
Balance at 1 November 2018	11,915	3,581	165	(14,711)	950
Profit and total comprehensive profit for the year	-	-	-	866	866
Issue of shares (net of costs)	81	668			749
<b>As at 31 October 2019</b>	<b>11,996</b>	<b>4,249</b>	<b>165</b>	<b>(13,845)</b>	<b>2,565</b>
<b>Loss and total comprehensive loss for the period</b>	-	-	-	<b>(687)</b>	<b>(687)</b>
<b>Issue of shares (net of costs)</b>	<b>139</b>	<b>909</b>	-	-	<b>1,048</b>
<b>As at 31 December 2020</b>	<b>12,135</b>	<b>5,158</b>	<b>165</b>	<b>(14,532)</b>	<b>2,926</b>

Share Capital – amount subscribed for share capital at the nominal amount

Share Premium – amount subscribed for share capital above the nominal amount

Capital Redemption Reserve – own shares purchased by the Company

Retained earnings – cumulative gains and losses recognised

The accounting policies and notes are an integral part of these financial statements

*(Incorporated in England and Wales with registered number 02929801)***Statement of Financial Position**

AT 31 DECEMBER 2020

	<b>Notes</b>	<b>31 December 2020 £000's</b>	31 October 2019 £000's
<b>Current assets</b>			
Investments	10	<b>2,029</b>	1,165
Trade and other receivables	14	<b>15</b>	11
Cash and cash equivalents		<b>1,019</b>	1,427
<b>Total current assets</b>		<b>3,063</b>	2,604
<b>Total assets</b>		<b>3,063</b>	2,604
<b>Equity</b>			
Issued share capital	15	<b>12,135</b>	11,996
Share premium	15	<b>5,158</b>	4,249
Retained earnings		<b>(14,532)</b>	(13,845)
Capital redemption reserve		<b>165</b>	165
<b>Total equity</b>		<b>2,926</b>	2,565
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	<b>137</b>	39
<b>Total liabilities and current liabilities</b>		<b>137</b>	39
<b>Total equity and liabilities</b>		<b>3,063</b>	2,604

These financial statements were approved and authorised for issue by the Board of Directors on 27 April 2021 and were signed on its behalf by:

Peter Redmond  
**Director**

John May  
**Director**

The accounting policies and notes are an integral part of these financial statements.

**Statement of Cash Flows**

FOR THE PERIOD ENDED 31 DECEMBER 2020

	<b>2020</b>	2019
	<b>£000's</b>	£000's
<b><i>Cash flows from operating activities</i></b>		
<b>(Loss)/Profit</b>	<b>(687)</b>	866
Realised (gain) on disposal of investments	<b>(128)</b>	(419)
Fair value movements in investments	<b>277</b>	(733)
Finance income	<b>(1)</b>	(1)
(Increase)/decrease in receivables	<b>(4)</b>	-
Increase/(decrease) in payables	<b>98</b>	(100)
<b>Net cash used in operating activities</b>	<b>(445)</b>	(388)
<b><i>Cash flows from investing activities</i></b>		
Payments to acquire investments	<b>(2,217)</b>	-
Proceeds of disposal of investments	<b>1,205</b>	1,016
Finance income received net	<b>1</b>	1
<b>Net cash (used)/generated in investing activities</b>	<b>(1,011)</b>	1,017
<b><i>Cash flows from financing activities</i></b>		
Net proceeds from share issues	<b>1,048</b>	749
<b>Net cash from financing activities</b>	<b>1,048</b>	749
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	<b>(408)</b>	1,379
Cash and cash equivalents at beginning of period	<b>1,427</b>	48
<b>Cash and cash equivalents at end of period</b>	<b>1,019</b>	1,427

The accounting policies and notes are integral to these financial statements.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1. ACCOUNTING POLICIES

#### General Information

Pires Investments plc (“the Company”) was throughout the period an investing Company with an investing policy adopted on 16 April 2012 and revised on 3 October 2019.

The Company changed its accounting period end to 31 December and therefore these Financial Statements cover a 14 month period.

The Company is a public limited liability company incorporated and domiciled in England.

The address of the registered office is 9th Floor, 107 Cheapside, London, EC2V 6DN.

These financial statements are prepared in round £000’s, because that is the currency of the primary economic environment in which the Company operates.

#### Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have also been prepared under the historical cost convention.

The preparation of financial statements in conformity with applicable law requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in these accounting policies.

#### Going Concern

The financial statements have been prepared on the going concern basis.

The Company has continually assessed the COVID-19 impact on its ability to continue as a going concern. The Company considers that the events arising from the COVID-19 outbreak do not impact on its use of the going concern basis of preparation nor do they cast significant doubt over the company’s ability to continue as a going concern for the period of at least twelve months from the date when the financial statements are authorised for issue.

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. The ability of the Company to carry out its planned business objectives is dependent on its continuing ability to raise adequate capital from equity investors and/or the realisation of quoted investments.

At the time of approving these financial statements and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company’s financial statements.

#### Statement of compliance

(a) New standards, amendments and interpretations adopted by the Company

No new standards were adopted during the year.

(b) New standards, amendments and interpretations not yet adopted by the Company

New and amended standards and interpretations issued but not yet effective or not yet endorsed for the financial year beginning 1 November 2019 and not yet early adopted.

## Notes to the Financial Statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1. ACCOUNTING POLICIES (continued)

At the date of authorisation of these financial statements, the Group and Company have not applied the following new and revised IFRSs that have been issued but are not yet effective. The Group and Company intend to adopt these standards, if applicable, when they become effective.

Standard	Description	Effective date for annual periods beginning on or after
IAS 1 & IAS 8	Amendments – Definition of Material.	1 January 2020
IFRS 3	Amendments to References to the Conceptual Framework to IFRS Standards	1 January 2020*
IAS 1	Amendments – Classification of Liabilities as Current or Non-Current Amendments to References to the Conceptual Framework in IFRS standards	1 January 2022
IAS 12	Amendments to IAS 12, “Income Taxes” resulting from Annual improvements 2015-2017 Cycle (income tax consequences of dividends)	1 January 2020

\* Annual improvements to IFRS standards 2018-2020 cycle

The Company has not early adopted any of the above standards. The Directors have assessed the impact of IFRS 16 and continue to assess the impact of the remaining amendments on future financial statements.

#### Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods or services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income is recognised at the time any market share price is adjusted to exclude the right to receive such dividend or, if there is no such adjustment, when received.

#### Income tax

Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax is calculated on the results shown in the Financial Statements and according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

#### Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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## 1. ACCOUNTING POLICIES (continued)

### Investments in subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any attributable impairment losses.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances at banks, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### Financial assets

#### (a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. Details of these assets and their fair value is included in note 11.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'other receivables and prepayments' and 'cash and cash equivalents' in the Statement of Financial Position.

#### (b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value with transaction costs expensed for all financial assets. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within Gain on investments held at fair value through profit or loss in the period in which they arise.

#### (c) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of equity investments and securities below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Cash and cash equivalents Cash and cash equivalents comprise cash in hand and bank balances.

## Notes to the Financial Statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1. ACCOUNTING POLICIES (continued)

#### Financial liabilities

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise trade and other payables.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share capital account represents the nominal value of the shares issued.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In certain circumstances, where fair value cannot be readily established, the Company is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. Judgements and estimates that may affect future periods are as follows:

### 3. BUSINESS AND GEOGRAPHICAL REPORTING

An operating segment is a component of the Company that engages in business from which it may earn revenues and incur expenses. The Company has only one operating segment, being the investment in companies or assets. Therefore, the financial information of the single segment is the same as that set out in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

### 4. AUDITORS REMUNERATION

During the period the Company obtained the following services from the Company's auditor (in respect of continuing and discontinuing activities):

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Fees payable to auditors for the audit of the Company's financial statements	<b>19</b>	18
Fees payable to the Company's auditor and its associates for other services:		
Other services relating to taxation	<b>3</b>	22
All other services	-	-
	<b>22</b>	40



**5. OTHER INCOME**

The Company's other income was:

	<b>2020</b> <b>£000's</b>	2019 £000's
Interest receivable	<b>1</b>	1
	<b>1</b>	1

**6. REMUNERATION**

The Company's employee emoluments expense was:

	<b>2020</b> <b>£000's</b>	2019 £000's
Emoluments	<b>184</b>	42
Social security costs	-	-
	<b>184</b>	42

The average monthly number of persons employed by the Company, including Directors, during the period was as follows:

	<b>2020</b> <b>No</b>	2019 No
	<b>3</b>	3

Details of Directors' emoluments, are given in the Report on Remuneration. These disclosures form part of the audited financial statements of the Company. The Directors of the Company are considered to represent key management of the Company as defined by IFRS. The Directors are the only employees of the Company.

**7. TAX EXPENSE**

Both current and deferred tax are nil in the period and therefore there is nil tax recoverable/payable.

	<b>2020</b> <b>£000's</b>	2019 £000's
<b>Factors affecting the tax charge for the period</b>		
(Loss)/profit on ordinary activities before taxation	<b>(687)</b>	866
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.0% (2019: 19.0%)	<b>(131)</b>	164
<b>Effects of:</b>		
Expenses not deductible for tax purposes net of income not subject to corporation tax	-	-
(Loss)/income not taxable for tax purposes	<b>28</b>	(228)
Deferred tax not recognised	<b>103</b>	64
<b>Tax charge</b>	<b>-</b>	-

The Company has tax losses available to carry forward against relevant future taxable income and profits of approximately £7.1 million (2019: £6.3 million) in respect of which no deferred tax asset has been recognised due to the uncertainty as to when profits will be generated against which to relieve said asset.

Where it is anticipated that future taxable profits will be available against which these losses will be utilised a deferred tax asset is recognised.

No deferred tax has been recognised in the period (2019: nil) and the tax charge for the period was nil (2019: nil).

**Notes to the Financial Statements (continued)**

FOR THE PERIOD ENDED 31 DECEMBER 2020

**8. EARNINGS PER SHARE**

	<b>2020</b>	2019
	<b>£000's</b>	£000's
<b>(Loss)/profit attributable to the owners of the Company</b>		
Continuing Operations	<b>(687)</b>	866
	<b>2020</b>	2019
	<b>No. of</b>	No. of
	<b>Shares</b>	shares
Weighted average number of shares for calculating basic profit per share	<b>107,298,817</b>	52,900,940
	<b>2020</b>	2019
	<b>Pence</b>	Pence
<b>Basic and diluted (loss)/profit per share</b>		
Continuing Operations – basic and diluted	<b>(0.64)</b>	1.64

There were no diluted earnings per share in 2019 as all existing warrants lapsed during the period.

**9. FAIR VALUE MEASUREMENT**

The table below sets out the fair value measurements using the fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between categories during the period.

**10. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Investments at fair value brought forward	<b>1,165</b>	1,030
Purchase of investments	<b>2,217</b>	-
Investment disposals	<b>(1,076)</b>	(597)
Movement in investment holding	<b>(277)</b>	733
<b>Balance</b>	<b>2,029</b>	1,165
<i>Categorised as</i>		
Level 1 – quoted prices	<b>103</b>	1,165
Level 2 – SVV (based on fund valuation)	<b>1,507</b>	-
Level 3 – Unquoted investments	<b>419</b>	-
	<b>2,029</b>	1,165
<b>(Losses)/gains on investments held at fair value through profit or loss</b>		
Movement in investment holding (losses)/gains	<b>(277)</b>	733
Realised gain on disposal of investments	<b>128</b>	419
<b>Net (loss)/gain on investments held at fair value through profit or loss</b>	<b>(149)</b>	1,152

**Quoted Investments level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily LSE/AIM equity investments.

**Unquoted investments (Level 2)**

The value of Level 2 unquoted investments as at 31 December was £1,507,000 (2019 – £nil) and comprised a holding in Sure Valley Ventures ("SVV"), an Irish collective asset-management vehicle with variable capital and limited liability which has been authorised by the Central Bank as a Qualifying Investor Alternative Investment Fund ("QIAIF"). The fair value of the holding in SVV is the value indicated in the capital summary provided by the SVV as at 31 December 2020.

**Unquoted investments (Level 3)**

The value of the Level 3 unquoted investments as at 31 December was £419,000 (2019 – £nil) and comprised holdings in Getvisibility and Low6 which are unquoted public companys. Both holdings are valued at cost.

## Notes to the Financial Statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Company is exposed to through its financial instruments are credit risk, foreign currency risk, liquidity risk and market price risk.

#### Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

#### Credit risk

The Company's financial instruments, which are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Company's maximum exposure to credit risk is £1,019,000 (2019: £1,427,000) comprising cash and cash equivalents.

#### Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through maintaining a positive cash balance and controlling expenses and commitments. The Directors are confident that adequate resources exist to finance current operations.

#### Market price risk

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments.

The Company's exposure to price risk on investments is as follows:

#### Change in equity

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Increase in investments by 10%	<b>203</b>	117
Decrease in investments by 10%	<b>(203)</b>	(117)

**12. FINANCIAL INSTRUMENTS****Financial assets by category:**

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Financial assets:		
Fair value through profit or loss investments	<b>2,029</b>	1,165
Cash and cash equivalents	<b>1,019</b>	1,427
<b>Total</b>	<b>3,048</b>	2,592

**Financial liabilities by category:**

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Trade and other payables	<b>137</b>	39

**13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

<b>Cost</b>	<b>£</b>
At 1 November 2018	1
Disposals during the year	-
<b>At 1 November 2019</b>	<b>1</b>
Disposals during the period	-
Additions during the period	-
<b>At 31 December 2020</b>	<b>1</b>
<b>Provision for diminution in value</b>	
At 1 November 2018 and 1 November 2019	-
Disposals during the period	-
<b>At 31 December 2020</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 December 2019</b>	<b>1</b>
At 31 October 2019	1

At 31 December 2020 the subsidiary was as follows:

<b>Subsidiary undertaking</b>	<b>Country of registration</b>	<b>Principal activity</b>	<b>Percentage holding</b>
Renewable Energies (Investments) Limited	UK	Dormant	100%

Consolidated financial statements have not been prepared as they are exempt in accordance with section 402 of the Companies Act 2006.

**Notes to the Financial Statements (continued)**

FOR THE PERIOD ENDED 31 DECEMBER 2020

**14. TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	2019
	<b>£000's</b>	£000's
Prepayments	<b>15</b>	11
	<b>15</b>	11

As described in note 12, the Directors do not consider credit risk to be material to the Company's operations.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

**15. ISSUED SHARE CAPITAL**

	Ordinary shares		Deferred shares		Share Premium £000's
	Number of shares	Nominal value £000's	Number of shares	Nominal value £000's	
<b>Issued and fully paid:</b>					
<b>At 1 November 2018</b>	<b>33,900,805</b>	<b>85</b>		<b>11,830</b>	<b>3,581</b>
Ordinary shares of 0.25p each	32,571,660	81		-	700
Share issue costs	-	-		-	(32)
<b>At 31 October 2019</b>	<b>66,472,465</b>	<b>166</b>		<b>11,830</b>	<b>4,249</b>
<b>Ordinary shares issued in the period:</b>					
Ordinary shares of 0.25p each	53,000,000	133		-	927
Share issue costs	-	-		-	(121)
As a result of warrants exercised during the period	2,725,018	6		-	102
<b>At 31 December 2020</b>	<b>122,197,483</b>	<b>305</b>		<b>11,830</b>	<b>5,158</b>

**Share issues during the year:**

Between 15 May and 30 June 2020, the Company placed 53,000,000 ordinary shares of 0.25p each at 2.0p per share raising funds of £1,060,000 before expenses.

Each placee also received one warrant for each ordinary share acquired with an exercise price of 4.0p per share. 2,725,018 warrants were exercised prior to 31 December 2020.

On 27 February 2019, the Company issued 32,571,660 ordinary shares of 0.25p each for cash at 2.4p per share, raising funds of £781,720 before expenses.

**Rights of ordinary shareholders**

The holders of the ordinary shares are entitled to one vote for each share held on a poll. They are also entitled to receive dividends declared in proportion to the number of shares held (subject to any right of another class, and none currently exists, to receive a preferred dividend) and, on a return of capital and subject to the limited participation rights of the holders of the two classes of deferred shares detailed below and any subsequently created class of shares with preferential rights, to participate in such return in proportion to the number of shares held.

**15. ISSUED SHARE CAPITAL (continued)****Rights of deferred shareholders**

None of the classes of deferred shares have any voting or dividend rights and only have rights to a repayment of the nominal value of the shares and then only after a £100,000 per ordinary share has been returned to each holder of ordinary shares. The Company has the right to acquire for cancellation each entire class of deferred share for an aggregate consideration of 1p and the Company intends to exercise such right in due course.

**Options and Warrants**

There were no outstanding options.

Warrants over 53,000,000 ordinary shares of the Company with an exercise price of 4 pence per share were issued during the period ended 31 December 2020, in conjunction with the share issues set out in this note. 50,274,982 are outstanding as at 31 December 2020 as detailed below. (2019: nil):

	Exercise price for the year ended 31 December 2020 £	Number of shares to be issued upon exercise for the period ended 31 December 2020	Exercise price for the year ended 31 October 2019 £	Number of shares to be issued upon exercise for the year ended 31 October 2019
Outstanding at beginning of period	-	-	-	-
Issued during the period	<b>0.04</b>	<b>53,000,000</b>	-	-
Exercised during the period	<b>0.04</b>	<b>(2,725,018)</b>	-	-
Exercisable at end of period	<b>0.04</b>	<b>50,274,982</b>	-	-

**16. TRADE AND OTHER PAYABLES**

	2020 £000's	2019 £000's
Trade payables	<b>7</b>	7
Accruals and deferred income	<b>126</b>	31
Taxation and social security	<b>4</b>	1
	<b>137</b>	39

The directors consider the carrying amounts of trade payables to be a reasonable approximation of their fair value.

The Company de-registered from VAT in March 2019.

**17. CONTINGENT LIABILITIES**

At 31 December 2020 and 31 October 2019, the Company had no material contingent liabilities.

## Notes to the Financial Statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 18. CAPITAL COMMITMENTS

On 2 September 2019, the Company entered into an arrangement, which was approved by the shareholders on 3 October 2019, to invest up to €3.5 million in Sure Valley Ventures. Sure Valley Ventures is a venture capital fund focused on investing in the software technology sector with a specific focus on Augmented and Immersive Technologies, Security, Artificial Intelligence (“AI”) and the Internet of Things (“IoT”). Sure Valley Ventures has a portfolio of 13 investee companies at different stages of development and the €3.5 million investment by the Company is expected to be made over the life of the fund. During the year the Company invested €1.9 million in SVV and as at 31 December 2020 the Company now expects, going forward, to invest €1.6 million over the remaining life of the fund.

On 2 December 2020 the Company announced it had entered into a conditional agreement to enter into a share subscription agreement to subscribe for shares in DeTech Studio Limited. This investment was completed on 15 January 2021 – see note 20.

### 19. RELATED PARTY TRANSACTIONS

#### Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.

#### Remuneration of key management personnel

The remuneration of the directors can be found in the Directors report on page 8 and in Note 7. The related party disclosures in respect of this remuneration represent the only related party disclosures requires and are disclosed below:

Fees:

	2020 £	2019 £
Fees for consultancy services supplied by Catalyst Corporate Consultants Limited, a company beneficially controlled by Peter Redmond and of which he is a director	4,500	35,000
Fees for consultancy services supplied by City and Westminster Corporate Finance LLP, an LLP controlled by John May as Managing Partner.	22,500	47,000
Fees for consultancy services supplied by ACL Capital Limited, a company of which Nicholas Lee is a director	-	17,000

#### Share placing

Between April – June 2020 the Company carried out share placings of which RiverFort Global Opportunities plc, a company in which Nicholas Lee is Investment Director, participated in acquiring 10,364,200 new shares. The same number of warrants over shares were also acquired, all of which remain exercisable at the end of the period.

### 20. POST BALANCE SHEET EVENTS

On 15 January 2021 the Company announced that it completed its investment in DeTech Studio Limited which is developing a decentralized finance technology platform (“YOP”). As part of the Company’s announced investment of US\$200,000, the Company was issued with 4 million YOP tokens and has used 2 million of its YOP tokens to subscribe for new shares in a digital assets technology company, Pluto Digital Assets plc (“Pluto”).

On 5 February 2021 the Company made a further investment of £100,000 in Pluto.

On 12 February 2021 the Company announced that it had acquired 1.5 million shares in Sure Ventures plc (“SV plc”) from existing shareholders of SV plc. The total consideration of £1.95 million was satisfied through the issue of 14,391,144 new ordinary shares in the Company at a price of 13.55 pence per share. The purchase provides the Company with a 28% shareholding in SV plc. SV plc is a listed specialist fund which has a 25.9% interest in Sure Valley Ventures (“SVV”), the technology-focused venture capital fund in which Pires itself has an existing 13% direct interest. In view of SVV’s successful track record to date, the Directors believe that it would be attractive for Pires to increase its interest in SVV. The purchase will thereby enable Pires to increase its overall effective interest in SVV to c. 20%.

On 26 February 2021 the Company announced a further investment of £35,000 in Low6 Limited (“Low6”) as part of the extension Low6’s pre-IPO funding round in which the Company had invested £200,010 at £30 per share in December 2020.



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**20. POST BALANCE SHEET EVENTS (continued)**

On 4 March 2021, the Company announced that it had used the balance of its holding in YOP tokens and its shareholding in DeTech Studio Limited to subscribe for new shares in Pluto as part of Pluto's second fund raising to raise in excess of £20 million. Post this subscription, Pires will hold 32,518,876 shares in Pluto which will be the Company's principal investment in the digital assets sector.

On 15 March 2021 the Company announced that it has invested £250,000 in Polience Limited ("PreCog"), a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people, as part of a £1 million fundraising round. The funding for this investment has been satisfied from Pires' existing cash resources. Sure Valley Ventures ("SVV"), in which Pires has an effective overall interest of c. 20%, has invested the remaining £750,000 from the round.

Since 1 January 2021 the holders of 13,003,579 warrants over ordinary shares in the Company have exercised their warrants at 4 pence per share with total consideration of £520,000. Unexercised warrants currently total 37,271,403 and the total ordinary shares of the Company in issue are 149,592,206.

COVID-19 is a continuing situation and, as at the date of these financial statements, the assessment of this situation will need continued attention and will evolve over time. In our view COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made to the financial statements as a result. The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact at this stage. Management has assessed the impact and believes there are no effects on the Company.

