

RNS Number : 6465U  
Pires Investments PLC  
31 July 2015

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

Unaudited interim results for the six months to 30 April 2015

### **Chairman's Statement**

During the period under review, Pires made progress in a number of respects. However, the results for the period have been affected by the significant diminution in the value of the Company's principal investment holding, Rame Energy plc ("Rame"). As a result, the Company is reporting a loss before taxation of £355,376 for the period under review.

The Company has invested in aggregate £692,000 in quoted companies, of which £487,000 was invested in Rame and £205,000 in three resource related investing companies, as described below. As at 30 April 2015, the share price of Rame had fallen to 9p and the market value of our holding decreased to £314,000, accounting for £174,000 of our losses for the period. Our other investments stood at a modest premium, with a market value of £225,000. Since then, they have risen significantly in value - we have realised £112,000 in cash and our residual holdings have a market value at present of £216,000.

The share price performance of Rame has been disappointing. However, Rame has successfully met its initial objectives, having completed the Raki wind project and is making progress on its project pipeline. It also has a number of other developments in progress, both in the wind and solar spheres. We continue to believe that it will make good progress over the coming year and that this will in due course be reflected in its share price.

Pires continues to regard the renewable energy sector outside of the UK very positively. As detailed in the full year results to 31 October 2014, we have established a subsidiary, Ventec Renewable Energy Limited, to review and assist in renewable energy projects, particularly onshore wind, in Europe with a view to earning or acquiring holdings in such projects. Progress has been made in this area and the Board anticipates providing a further update to the market in due course.

As detailed in the Chairman's statement of the full year results for the year ended 31 October 2014, the Company made a modest investment as part of a placing by Kennedy Ventures plc ("Kennedy"). This investment had shown a 150% rise in value to 3.125p as at 30 April 2015 and has since risen further in value. As shareholders may be aware, Kennedy acquired a majority interest in a tantalite resource in Namibia. Since Pires' interim period date, further progress has been made by Kennedy - in particular it has appointed an experienced CEO, raised £1.4 million through a placing at 5.25p and is looking to commence production in the near term. Pires invested £25,000 at 1.25p per share and has since the period end realised 30% of its holding for just over £50,000, representing a gain of 670% on those shares. At the present share price, our remaining holding has a market value of £68,000.

As shareholders will be aware, the Company invested £100,000 at 0.21p in Armstrong Ventures plc ("Armstrong"), a resource focussed investing company. In the period to 30 April 2015, Armstrong reviewed a number of potential transactions but has subsequently concluded that opportunities outside of the resources field are currently more likely to add value. Armstrong has since the period end completed new placing of £2.3 million with a view to making an investment or reverse takeover of a target company and has altered its investing policy from natural resources to media, technology and healthcare. Pires has been able to realise 50% of its holding for a 12% gain and we look forward to further progress as and when a transaction is announced in due course. Pires' residual holding at present has a value of some £51,000.

In addition, Pires has invested £80,000 in 3Legs Resources plc ("3Legs") as part of a placing to raise £800,000 at 0.232p per share, when that company became a resources-focussed investing company. Since then, 3Legs has raised £500,000 at 0.23p, via a further placing; these funds were

subscribed by Jim Mellon (and companies associated with him) and Dr Greg Bailey, both of whom are experienced investors *inter alia* in healthcare companies and both of whom joined the board of 3Legs. 3Legs is now in the process of altering its investing policy to concentrate on the healthcare sector and hopes to complete a reverse takeover in due course. Pires' shareholding in 3Legs at the present time has a market value of some £96,000.

Pires' intention in taking these investments was to hold them until a significant and hopefully value enhancing event took place and then progressively to realise the value of such investments. This remains our intention in relation to the Company's present holdings and the Board is currently reviewing the investing strategy for the future.

Peter Redmond  
Chairman

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the six months ended 30 April 2015**

		Unaudited 6 months ended 30-Apr 2015	Unaudited 6 months ended 30-Apr 2014	Audited Year Ended 31-Oct 2014
		£	£	£
<b>Continuing activities</b>				
	<b>Notes</b>			
<b>Revenue</b>				
Investment income		-	1,000	1,833
Other income		8,314	5,000	5,000
<b>Total revenue</b>		<b>8,314</b>	<b>6,000</b>	<b>6,833</b>
Gains/(losses) on investments held at fair value through profit or loss		(218,172)	139,269	(15,981)
Operating expenses		(145,518)	(122,741)	(317,761)
<b>Operating profit/(loss) from continuing activities</b>		<b>(355,376)</b>	<b>22,528</b>	<b>(326,909)</b>
<b>Profit/(loss) before taxation from continuing activities</b>		<b>(355,376)</b>	<b>22,528</b>	<b>(326,909)</b>
Tax		-	-	-
<b>Profit/(loss) for the period and total comprehensive income attributable to equity holders of the Company</b>		<b>(355,376)</b>	<b>22,528</b>	<b>(326,909)</b>
<b>Basic (loss)/earnings per share</b>	<b>3</b>			
Equity holders				
Basic and diluted		<b>(0.01p)</b>	<b>0.001p</b>	<b>(0.01)p</b>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 April 2015**

	Unaudited As at 30-Apr 2015 £	Unaudited As at 30-Apr 2014 £	Audited As at 31-Oct 2014 £
<b>Notes</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1,610	1,464	2,163
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,610</b>	<b>1,464</b>	<b>2,163</b>
<b>CURRENT ASSETS</b>			
Investments	561,040	754,717	698,612
Trade and other receivables	138,014	151,035	122,396
Cash and cash equivalents	99,897	614,794	295,198
<b>TOTAL CURRENT ASSETS</b>	<b>798,951</b>	<b>1,520,546</b>	<b>1,116,206</b>
<b>TOTAL ASSETS</b>	<b>800,561</b>	<b>1,522,010</b>	<b>1,118,369</b>
<b>EQUITY</b>			
Called up share capital	11,853,192	11,853,192	11,853,192
Share premium account	2,904,840	2,904,840	2,904,840
Retained earnings	(14,299,350)	(13,594,536)	(13,943,973)
Capital redemption reserve	164,667	164,667	164,667
<b>TOTAL EQUITY</b>	<b>4 623,349</b>	<b>1,328,163</b>	<b>978,726</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	177,212	193,847	139,643
<b>TOTAL LIABILITIES AND CURRENT LIABILITIES</b>	<b>177,212</b>	<b>193,847</b>	<b>139,643</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>800,561</b>	<b>1,522,010</b>	<b>1,118,369</b>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**For the six months ended 30 April 2015**

	Unaudited 6 months ended 30-Apr 2015 £	Unaudited 6 months ended 30-Apr 2014 £	Audited Year ended ended 31-Oct 2014 £
<i>Notes</i>			
<b>Cash flows from operating activities</b>	<b>5</b>		
<b>Net cash absorbed by operating activities</b>	<u>(123,015)</u>	<u>(51,103)</u>	<u>(271,131)</u>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	-	-	(1,256)
Payments to acquire investments	(80,600)	(530,482)	(674,349)
Proceeds of sale of investments	-	-	44,722
Finance income received	-	1,000	1,833
Other income received	8,314	-	-
<b>Net cash (used in)/from investing activities</b>	<u>(72,286)</u>	<u>(529,482)</u>	<u>(629,050)</u>
<b>Cash flows from financing activities</b>			
Net repayments on borrowings	-	-	-
Finance costs paid	-	-	-
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>	(195,301)	(580,585)	(900,181)
Cash and cash equivalents at beginning of the period	295,198	1,195,379	1,195,379
<b>Cash and cash equivalents at end of the period</b>	<u>99,897</u>	<u>614,794</u>	<u>295,198</u>

## **Notes to the Unaudited Interim Report**

### **1. GENERAL INFORMATION**

Pires Investments PLC (the "Company") is a company domiciled in England whose registered office address is c/o Morrison & Foerster, CityPoint, One Ropemaker Street, London EC2Y 9AW. The condensed consolidated interim financial statements of the Company for the six months ended 30 April 2015 is that of the Company and its subsidiary (together referred to as the "Group"). The condensed interim financial statements for the six months ended 30 April 2014 are those of the Company which had no subsidiary during that period.

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

The financial information for the year ended 31 October 2014 has been extracted from the statutory accounts for that period which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The auditors' report on the statutory accounts was unqualified. A copy of those financial statements has been filed with the Registrar of Companies.

The financial information for the six months ended 30 April 2013 and 2014 was also prepared in accordance with IFRS.

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

The condensed interim financial statements were authorised for issue on 30 July 2015.

### **2. BASIS OF ACCOUNTING**

The consolidated financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 October 2014. As permitted, the interim report has been prepared in accordance with the AIM rules for Companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

### 3. LOSS PER SHARE

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

	<b>Unaudited 6 months ended 30-Apr 2015</b>	<b>Unaudited 6 months ended 30-Apr 2014</b>	<b>Audited Year ended 31-Oct 2014</b>
	£	£	£
Profit/(loss) on continuing activities after tax	(355,376)	22,528	(326,909)

#### **Basic and fully diluted**

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

	<i>Number of shares</i>		
Weighted average number of ordinary shares for the period	2,321,659,864	2,321,659,864	2,321,659,864
Basic (loss)/earnings per share from continuing activities (p)	(0.01)	0.001	(0.01)

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

### 4. STATEMENT OF CHANGES IN EQUITY

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	£	£	£	£	£
<b>At 1 November 2013</b>	<b>11,853,192</b>	<b>2,904,840</b>	<b>164,667</b>	<b>(13,617,064)</b>	<b>1,305,635</b>
Profit for the 6 months ended 30 April 2014				22,528	22,528
<b>At 30 April 2014</b>	<b>11,853,192</b>	<b>2,904,840</b>	<b>164,667</b>	<b>(13,594,536)</b>	<b>1,328,163</b>
Loss for the 6 months ended 31 October 2014				(349,437)	(349,437)
<b>At 31 October 2014</b>	<b>11,853,192</b>	<b>2,904,840</b>	<b>164,667</b>	<b>(13,943,973)</b>	<b>978,726</b>
Loss for the 6 months ended 30 April 2015				(355,376)	(355,376)
<b>At 30 April 2015</b>	<b>11,853,192</b>	<b>2,904,840</b>	<b>164,667</b>	<b>(14,299,350)</b>	<b>623,349</b>

### 5. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 6 months ended 30-Apr 2015	Unaudited 6 months ended 30-Apr 2014	Audited Year ended 31-Oct 2014
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	£	£	£
<b>Cash flow from operations</b>			
<b>Profit/(loss)</b>	<b>(355,376)</b>	<b>22,528</b>	<b>(343,909)</b>
Depreciation	553	348	904
Realised gain on investments	-	-	73,612
Fair value movements in investments	218,172	(139,269)	(85,409)
Finance income	(8,314)	(1,000)	(1,833)
(Increase)/decrease in receivables	(15,619)	(22,447)	32,971
Increase/(decrease) in payables	37,569	88,737	52,533
<b>Cash flow from operations</b>	<b><u>(123,015)</u></b>	<b><u>(51,103)</u></b>	<b><u>(271,131)</u></b>

## 6. DISTRIBUTION OF INTERIM REPORT

Copies of the Interim Report for the six months ended 30 April 2015 can be obtained from the Registered Office during normal business hours and are available on the Company's website, [www.piresinvestments.com](http://www.piresinvestments.com).

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