

RNS Number : 5809N
Global Resources Investment Tst PLC
30 September 2021

Global Resources Investment Trust plc

'GRIT' or 'the Company'

Half-year results for the six months ended 30 June 2021

Chairman's statement

I'm pleased to report that the Company has concluded its preparations for its re-launch as a natural resources investment trust. As soon as the formalities have been completed, two of the principal participants in the latest round of funding, Malcolm Burne and Richard Lockwood, both of whom are veteran fund managers, with exceptional records in the natural resources sector, will join the Board.

Set out below is the interim statement covering the six months ended 30 June 2021. For the first time in a number of years GRIT is able to report a profit (of £366,000 - compared to a loss of £288,000 in the six months ended 30 June 2020). This was achieved largely as a result of the profit on the sale of the Company's stake in Siberian Goldfields Limited, but was assisted by the waiver of fees by directors and by advisers.

Salient events

In January GRIT raised £226,000 of additional capital in the form of new ordinary shares and a convertible loan note.

In April the Company sold its interest in Siberian Goldfields Limited for £488,000.

The proceeds of these transactions enabled the CVA Supervisor to pay an aggregate 71% dividend to the creditors subject to the CVA.

On 21 July, following the publication of the 2020 Annual Report, the suspension of trading in the Company's shares was lifted by the FCA.

On 2 August the Company raised from existing and new investors additional capital of £599,000 in the form of a convertible loan note.

On 5 September the Republic of Guinea, the home of the mining activities of Anglo African Mining plc ('AAM'), GRIT's residual investment, suffered a military coup. There is no doubt that this will make the realisation of any of the Company's investment in AAM even more remote; and further justifies the directors' decision to make full provision against it in the 2019 financial statements; and to institute the CVA which has enabled the re-launch of the Company.

Board of directors

On publication of the 2020 Annual Report, the lifting of the suspension in trading in the Company's shares and the raising of additional capital, Stephen Roberts resigned from the Board (as announced at the time).

As soon as Malcom Burne and Richard Lockwood are appointed to the Board, I shall also step down from the Board. I joined in August 2019, with Stephen Roberts and Martin Lampshire, in order to oversee the transformation of GRIT into a company which could be re-launched as an active natural resources investment trust. Although this has been a much harder task than we had anticipated at the time, I believe that we have now reached that point.

Future plans

Further details on my successors and on their plans for GRIT (which include proposals for the re-building of a small diverse portfolio of natural resources investments) will be set out in an announcement to be published at the time that they are formally appointed (expected very shortly). I wish them and Martin Lampshire, who will continue as Executive Director, every success for the future of GRIT.

James Normand

Chairman

30 September 2021

Executive Director's Review

The six months ended 30 June 2021 saw no investment activity other than the sale of the Company's interest in Siberian Goldfields Limited.

The results for the period reflect administrative expenditure only.

The last two years have been challenging for a number of reasons, but the Company is now well positioned for future growth as an Investment Trust focused on the natural resources sector. The proposed appointments of fund managers Malcolm Burne and Richard Lockwood will bring a depth of experience to the board which will prove invaluable in all prospective investment decisions. We look

forward to the future with considerable optimism and believe that the natural resources sector should present a number of exciting investment opportunities.

Martin Lampshire

Executive Director

30 September 2021

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Income Statement

	Revenue Unaudited	Capital Unaudited	Total Unaudited
	£'000	£'000	£'000
	Notes		
Six months ended 30 June 2021			
Profit on disposal of investments	-	488	488
Income	-	-	-
Other expenses	(122)	-	(122)
Net return before finance costs and taxation	(122)	488	366
Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(122)	488	366
Tax on ordinary activities	-	-	-
Net return attributable to equity shareholders	(122)	488	366
Profit (loss) per ordinary share	2	(0.24p)	0.97p
		0.73p	

Six months ended 30 June 2020

Losses on investments	-	(28)	(28)
Income	-	-	-
Other expenses	(256)	-	(256)
Net return before finance costs and taxation	(256)	(28)	(284)
Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(256)	(28)	(284)
Tax on ordinary activities	-	-	-
Net return attributable to equity shareholders	(256)	(28)	(284)
Loss per ordinary share	2	(0.61p)	(0.07p)

Year ended 31 December 2020

Losses on investments	-	(28)	(28)
Income	-	-	-
Other expenses	(466)	-	(466)
Net return before finance costs and taxation	(466)	(28)	(494)
Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(466)	(28)	(494)
Tax on ordinary activities	-	-	-
Net return attributable to equity shareholders	(466)	(28)	(494)
Loss per ordinary share	2	(1.11p)	(0.07p)

The 'total' column of this statement represents the Company's profit and loss account, prepared in accordance with IFRS. All revenue and capital items in this statement derive from continuing operations. All of the profit for the period is attributable to the owners of the Company.

No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above Income Statement.

Balance Sheet

		As at 30 June 2021	As at 31 December 2020	As at 30 June 2020
		Unaudited	Audited	Unaudited
	Notes	£'000	£'000	£'000
Fixed assets				
Investments		-	-	-
		-	-	-
Current assets				
Investments		-	-	-
Debtors		-	-	-
Cash at bank and on deposit		30	-	-
		30	-	-

Creditors: amounts falling due within one year				
Other creditors		(338)	(900)	(685)
Net current (liabilities) assets		(308)	(900)	(685)
Creditors: amounts falling due after one year				
Convertible unsecured loan notes		(100)	-	-
Net (liabilities) assets		(408)	(900)	(685)
Capital and reserves				
Called up share capital		504	420	420
Share premium		36,922	36,880	36,880
Capital reserve		(32,697)	(33,185)	(33,185)
Revenue reserve		(5,137)	(5,015)	(4,800)
Equity shareholders' funds		(408)	(900)	(685)
Net asset value per share	3	(0.81p)	(2.14p)	(1.63p)

Statement of Changes in Equity	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<u>For the 6 months to 30 June 2021 (unaudited)</u>					
Balance at 31 December 2020	420	36,880	(33,185)	(5,015)	(900)
Issue of shares	84	42	-	-	126
Return on ordinary activities after taxation	-	-	488	(122)	366
Balance at 30 June 2021	504	36,922	(32,697)	(5,137)	(408)
<u>For the 6 months to 30 June 2020 (unaudited)</u>					
Balance at 31 December 2019	420	36,880	(33,157)	(4,544)	(401)
Return on ordinary activities after taxation	-	-	(28)	(256)	(284)
Balance at 30 June 2020	420	36,880	(33,185)	(4,800)	(685)

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

Cash Flow Statement

	Six months ended 30 June	
	2021	2020
	Unaudited	Unaudited
	£'000	£'000
Operating activities		
Profit/(loss) before finance costs and taxation	366	(284)
(Profit) on disposal of investment	(488)	
Losses on revaluation of investments	-	28

Decrease in other receivables	-	13
(Decrease)/increase in other payables	(562)	241
Net cash outflow from operating activities	(684)	(2)
Investing activities		
Proceeds from the sale of investment	488	
Net cash inflow from investing activities	488	
Financing activities		
Issue of shares	126	-
Issue of convertible unsecured loan notes	100	-
Net cash inflow from financing activities	226	-
Increase/(decrease) in cash and cash equivalents	30	(2)
Net cash at the start of the period	-	2
Net cash at the end of the period	30	-

The accompanying notes are an integral part of the financial statements.

Notes

1. Interim Results

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IAS 34 'Interim Financial Reporting' as adopted by the European Union and the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2020. The condensed financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020, which were prepared under IFRS as adopted by the European Union. There have been no significant changes to management judgements and estimates.

2. Going Concern Basis of Accounting

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. Return per Ordinary Share

The revenue loss per ordinary share for the six months ended 30 June 2021 is based on a net loss after taxation of £122,000 and on a weighted average of 50,357,414 ordinary shares in issue during the period.

The capital loss per ordinary share for the six months ended 30 June 2021 is based on a net capital profit after taxation of £488,000 and on a weighted average of 50,357,414 ordinary shares in issue during the period.

4. Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on net liabilities of £408,000 (31 December 2020: net liabilities of £900,000) and on 50,357,414 (31 December 2020: 41,964,512) ordinary shares, being the number of ordinary shares in issue at the period end.

5. Related Party Transactions

The Board of Directors is considered to be a related party. The Directors of the Company received fees for their services. Total fees for the six months to 30 June 2021 were £18,750 (six months ended 30 June 2020: £83,207). At 30 June 2021 directors were owed £134,964 (30 June 2020: £229,636).

5. Post Balance Sheet Events

Events since the balance sheet date are fully described in the outgoing Chairman's statement.

Interim Report Statement

The Company's auditor PKF Littlejohn LLP, has not audited or reviewed the Interim Report to 30 June 2021 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'. These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 31 December 2020, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 December 2020 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Directors' Statement of Principal Risks and Uncertainties

The risks, and the way in which they are managed, are described in more detail in the Strategic Report contained within the Annual Report and Financial Statements for the year ended 31 December 2020. In the opinion of the Directors the Company's principal risks and uncertainties have not changed materially since the date of that report and did not change materially for the rest of the Company's financial reporting period to 31 December 2021.

Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Chairman's Statement and Executive Director's Review (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure Guidance and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the year and their impact on the financial statements; and

- other than directors' remuneration, there have been no related party transactions that materially affected the financial position or performance of the Company during the period.

On behalf of the Board

James Normand

Chairman

30 September 2021

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