

RNS Number : 2350B  
GRIT Investment Trust PLC  
30 September 2022

## **GRIT Investment Trust plc**

### **'GRIT' or 'the Company'**

#### **Half-year results for the six months ended 30 June 2022**

##### **Chairman's statement**

##### **The economic uncertainties**

The economic uncertainties in global capital markets largely associated with the Russia-Ukraine conflict have presented a challenging back drop to the Company's plans to re-launch as a natural resources investment trust.

Set out below is the interim statement covering the six months ended 30 June 2022. A loss of £89,000 is being reported for the six months ended 30 June 2022 compared to a profit of £366,000 for the six months ended 30 June 2021. The prior profit was achieved largely as a result of the profit on the sale of the Company's stake in Siberian Goldfields Limited.

##### **Salient events**

##### **Convertible Loan Notes Final Redemption Date Extension**

In July 2022 the Company announced that it has agreed with the holders of the outstanding £599,201 convertible loan notes dated 30 July 2021, to extend the final repayment date from 31 July 2022 to 30 September 2022. However, with the withdrawal of its prospectus application as referred to below, it has been unable to date to proceed with the conversion of the outstanding convertible loan notes. However, the Company remains fully committed to doing so and is seeking a further short extension to provide sufficient time to consider the options available.

##### **Anglo African Minerals plc**

As anticipated, the military coup in Guinea last September has disrupted the realisation of any of the Company's investment in Anglo African Mining plc ('AAM') and endorses the directors' decision to make full provision against it in the accounts.

##### **Strategy of the new Board**

On 22<sup>nd</sup> October 2021, the Company announced the new board appointments of myself and Malcolm Burne, both fund managers with proven experience and extensive track records in the natural resources sector. Since our appointment to the Board, the Company has been progressing a possible issue of new shares to finance its ongoing investment policy as an investment trust. This process involved seeking regulatory approval for the publication of a prospectus and also the internal authorisation as, or the external appointment of, an Alternative Investment Fund Manager ("AIFM"). However, after considerable time and effort, the Board has regrettably reached the conclusion that due to difficulties completing this process and the prevailing lack of positive sentiment towards the resource sector, the planned re-establishment of the Company as an active resource focused investment trust has become unachievable. Therefore, as announced on 16 September 2022, the Company has withdrawn both its AIFM and prospectus applications.

In an effort to return value for shareholders, the Company will now seek a "Reverse Takeover" (RTO) by the acquisition of a business which enables the Company to achieve an appropriate relisting on a public market. It is envisaged that the announcement of any such proposed transaction will result in the suspension of the Company's shares from trading on the Official List. If the Company is successful in announcing an acquisition in the form of a "RTO" the Board believes it will provide the best outcome for shareholders and provide a platform for the future growth of the Company.

**Richard Lockwood**

Chairman  
30 September 2022

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**Income Statement**

	Revenue	Capital	Total
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Notes			
<hr/>			
<b><u>Six months ended 30 June 2022</u></b>			
Profit on disposal of investments	-	-	-
Other income	96	-	96
Other expenses	(153)	-	(153)
<b>Net return before finance costs and taxation</b>	<b>(57)</b>	<b>-</b>	<b>(57)</b>
Interest payable and similar charges	(32)	-	(32)
<b>Net return on ordinary activities before taxation</b>	<b>(89)</b>	<b>-</b>	<b>(89)</b>
Tax on ordinary activities	-	-	-

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<b>Net return attributable to equity shareholders</b>		<b>(89)</b>	<b>-</b>	<b>(89)</b>
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<b>Profit (loss) per ordinary share</b>	<b>3</b>	<b>(1.77p)</b>	<b>-</b>	<b>(1.77p)</b>
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**Six months ended 30 June 2021**

Profit on disposal of investments		-	488	488
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Other income		-	-	-
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Other expenses		(122)	-	(122)
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<b>Net return before finance costs and taxation</b>		<b>(122)</b>	<b>488</b>	<b>366</b>
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Interest payable and similar charges		-	-	-
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<b>Net return on ordinary activities before taxation</b>		<b>(122)</b>	<b>488</b>	<b>366</b>
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Tax on ordinary activities		-	-	-
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<b>Net return attributable to equity shareholders</b>		<b>(122)</b>	<b>488</b>	<b>366</b>
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<b>Profit (loss) per ordinary share</b>	<b>3</b>	<b>(2.42p)</b>	<b>9.7p</b>	<b>7.3p</b>
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**Year ended 31 December 2021**

Profit on disposal of investments		-	488	488
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Income		-	-	-
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Other expenses		(391)	-	(391)
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<b>Net return before finance costs and taxation</b>		<b>(391)</b>	<b>488</b>	<b>97</b>
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Interest payable and similar charges		-	-	-
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<b>Net return on ordinary activities before taxation</b>		<b>(391)</b>	<b>488</b>	<b>97</b>
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Tax on ordinary activities		-	-	-
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<b>Net return attributable to equity shareholders</b>		<b>(391)</b>	<b>488</b>	<b>97</b>
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<b>Gain per ordinary share</b>	<b>3</b>	<b>(8.6p)</b>	<b>10.8p</b>	<b>2.2p</b>
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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 2022	As at 31 December 2021	As at 30 June 2021
	Unaudited	Audited	Unaudited
Notes	£'000	£'000	£'000
<b>Fixed assets</b>			
Investments	-	-	-
	-	-	-
<b>Current assets</b>			
Investments	-	-	-
Debtors	137	-	-
Cash at bank and on deposit	187	488	30
	324	488	30
<b>Creditors: amounts falling due within one year</b>			
Other creditors	(330)	(437)	(338)
<b>Net current (liabilities) assets</b>	<b>(6)</b>	<b>51</b>	<b>(308)</b>
<b>Creditors: amounts falling due after one year</b>			
Convertible unsecured loan notes	(692)	(660)	(100)
<b>Net (liabilities) assets</b>	<b>(698)</b>	<b>(609)</b>	<b>(408)</b>
<b>Capital and reserves</b>			
Called up share capital	504	504	504
Share premium	36,922	36,922	36,922
Capital reserve	(32,697)	(32,697)	(32,697)

Revenue reserve		(5,495)	(5,406)	(5,137)
Other reserve		68	68	-
<b>Equity shareholders' funds</b>		<b>(698)</b>	<b>(609)</b>	<b>(408)</b>
<b>Net asset value per share</b>	4	<b>(13.86p)</b>	<b>(12.1p)</b>	<b>(8.1p)</b>

Statement of Changes in Equity	Share capital	Share premium account	Capital reserve	Revenue reserve	Other reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>For the 6 months to 30 June 2022 (unaudited)</u></b>						
Balance at 31 December 2021	504	36,922	(32,697)	(5,406)	68	(609)
Issue of shares	-	-	-	-	-	-
Return on ordinary activities after taxation	-	-	-	(89)	-	(89)
<b>Balance at 30 June 2022</b>	<b>504</b>	<b>36,922</b>	<b>(32,697)</b>	<b>(5,495)</b>	<b>68</b>	<b>(698)</b>
<b><u>For the 6 months to 30 June 2021 (unaudited)</u></b>						
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
<b>Balance at 30 June 2021</b>	<b>504</b>	<b>36,922</b>	<b>(32,697)</b>	<b>(5,137)</b>	<b>-</b>	<b>(408)</b>

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

### Cash Flow Statement

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
	£'000	£'000

## Operating activities

(Loss)/profit before finance costs and taxation	(57)	366
(Profit) on disposal of investment	-	(488)
(Increase)/Decrease in other receivables	(137)	-
(Decrease)/increase in other payables	(107)	(562)
<b>Net cash outflow from operating activities</b>	<b>(301)</b>	<b>(684)</b>

## Investing activities

Proceeds from the sale of investment	-	488
<b>Net cash inflow from investing activities</b>	<b>-</b>	<b>488</b>

## Financing activities

Issue of shares	-	126
Issue of convertible unsecured loan notes	-	100
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>226</b>

Increase/(decrease) in cash and cash equivalents	<b>(301)</b>	<b>30</b>
Net cash at the start of the period	488	-
<b>Net cash at the end of the period</b>	<b>187</b>	<b>30</b>

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 UK and the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2021. 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 2021, which were prepared in accordance with UK-adopted international accounting standards. 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 2022 is based on a net loss after taxation of £89,000 and on a weighted average of 5,035,741 ordinary shares in issue during the period.

The capital loss per ordinary share for the six months ended 30 June 2022 is based on a net capital profit after taxation of £Nil and on a weighted average of 5,035,741 ordinary shares in issue during the period.

All comparative profit/loss per share has been restated for the share consolidation of 10 Ordinary shares of 0.25p into 1 Ordinary share of 2.5p on 7 January 2022.

## **4. Net Asset Value per Ordinary Share**

The net asset value per ordinary share is based on net liabilities of £698,000 (31 December 2021: net liabilities of £609,000) and on 5,035,741 (31 December 2021: 50,357,414) ordinary shares, being the number of ordinary shares in issue at the period end.

All comparative Net Asset Value per share has been restated for the share consolidation of 10 Ordinary shares of 0.25p into 1 Ordinary share of 2.5p on 7 January 2022.

## **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 2022 were £10,000 (six months ended 30 June 2021: £18,750) At 30 June 2022 directors were owed £60,370 (30 June 2021: £134,964).

## **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 2022 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 2021, 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 2021 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 2021. 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 2022.

## 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

**Richard Lockwood**  
Chairman

**30 September 2022**

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