

RNS Number : 9836M
GRIT Investment Trust PLC
19 September 2023

GRIT Investment Trust plc

'GRIT' or 'the Company'

Half-year results for the six months ended 30 June 2023

Chairman's statement

The last six months have seen a continued increase in interest rates and high inflation in the UK. The economic uncertainties in global capital markets largely associated with the Russia-Ukraine conflict, have continued. However, this challenging economic background has presented a number of opportunities to the Company's board in its pursuit of a suitable reverse takeover target.

Set out below is the interim statement covering the six months ended 30 June 2023. A loss of £83,000 is being reported for the six months ended 30 June 2023 compared to a loss of £89,000 for the six months ended 30 June 2022. The board continues to manage costs carefully in an effort to preserve shareholder value.

Salient events

Completion of Creditors Voluntary Arrangement

In May 2023 the Company announced that the Creditors Voluntary Arrangement ("CVA") was successfully completed following the approval of the Company's variation to creditors to bring the CVA to an early conclusion. The CVA creditors received a total of 83.06p in the £1, which compared favourably to the 20p in the £1 in the original CVA proposal. The completion of the CVA is an important step forward for the Company which can now plan a future free of its historical debts.

Share Capital Reorganisation and Conversion of the outstanding CULNs

A share capital reorganisation was approved at the Company's AGM in June resulting in each existing ordinary share of 2.5p be sub-divided into one ordinary share of 0.1p and one deferred share of 2.4p. Resolutions were also passed at the AGM to enable the Company to issue 11,472,175 New Ordinary Shares in connection with the conversion of the outstanding CULN's and issue up to an additional 120,000,000 New Ordinary Shares for cash.

Strategy of the new Board

Whilst the Company is still an Investment Trust, it continues to seek to acquire a business which would result in a Reverse Takeover. This will enable the Company to achieve an appropriate listing on a public market and it is envisaged that the announcement of any such proposed transaction would result in the suspension of the Company's shares from trading on the Official List. If an RTO transaction can be achieved the Board believes it will provide a platform for the future growth of the Company and a positive outcome for shareholders.

Richard Lockwood

Chairman

20 September 2023

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Income Statement

		Revenue	Capital	Total
		Unaudited	Unaudited	Unaudited
	Notes	£'000	£'000	£'000
Six months ended 30 June 2023				
Profit on disposal of investments		-	-	-
Other income		-	-	-
Other expenses		(83)	-	(83)
Net return before finance costs and taxation		(83)	-	(83)
Interest payable and similar charges		-	-	-
Net return on ordinary activities before taxation		(83)	-	(83)
Tax on ordinary activities		-	-	-
Net return attributable to equity shareholders		(83)	-	(83)
Profit (loss) per ordinary share	3	(0.52p)	-	(0.52p)

Six months ended 30 June 2022

Profit on disposal of investments	-	-	-	
Other income	96	-	96	
Other expenses	(153)	-	(153)	
Net return before finance costs and taxation	(57)	-	(57)	
Interest payable and similar charges	(32)	-	(32)	
Net return on ordinary activities before taxation	(89)	-	(89)	
Tax on ordinary activities	-	-	-	
Net return attributable to equity shareholders	(89)	-	(89)	
Profit (loss) per ordinary share	3	(0.56p)	-	(0.56p)

Year ended 31 December 2022

Profit on disposal of investments	-	-	-	
Other income	96	-	96	
Other expenses	(212)	-	(212)	
Net return before finance costs and taxation	(116)	-	(116)	
Interest payable and similar charges	(39)	-	(39)	
Net return on ordinary activities before taxation	(155)	-	(155)	
Tax on ordinary activities	-	-	-	
Net return attributable to equity shareholders	(155)	-	(155)	
Profit (loss) per ordinary share	3	(2.35p)	-	(2.35p)

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 Other Comprehensive Income 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 2023	As at 31 December 2022	As at 30 June 2022
		Unaudited	Audited	Unaudited
	Notes	£'000	£'000	£'000
Fixed assets				
Investments		-	-	-
		-	-	-
Current assets				
Debtors		24	140	137
Cash at bank and on deposit		19	66	187
		43	206	324
Creditors: amounts falling due within one year				
Other creditors		(107)	(271)	(330)
Convertible unsecured loan notes		(370)	-	-
		(434)	(65)	(6)
Net current (liabilities) assets				
Creditors: amounts falling due after one year				
Convertible unsecured loan notes		-	(445)	(692)
		(434)	(510)	(698)
Net (liabilities) assets				
Capital and reserves				
Called up share capital		833	758	504
Share premium		36,922	36,922	36,922
Capital reserve		(32,697)	(32,697)	(32,697)
Revenue reserve		(5,560)	(5,561)	(5,495)
Other reserve		68	68	68
		(434)	(510)	(698)
Equity shareholders' funds				
Net asset value per share	4	(2.38p)	(3.36p)	(13.86p)

Statement of Changes in Equity	Share capital	Share premium account	Capital reserve	Revenue reserve	Other reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
For the 6 months to 30 June 2023						
(unaudited)						
Balance at 31 December 2022	758	36,922	(32,697)	(5,561)	68	(510)
Issue of shares	75	-	-	-	-	75
Return on ordinary activities after taxation	-	-	-	1	-	1
Balance at 30 June 2023	833	36,922	(32,697)	(5,560)	68	(434)

For the 6 months to 30 June 2022
(unaudited)

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)
Balance at 30 June 2022	504	36,922	(32,697)	(5,495)	68	(698)

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

Cash Flow Statement

	Six months ended 30 June	
	2023	2022
	Unaudited	Unaudited
	£'000	£'000
(Loss)/profit before finance costs and taxation	(83)	(57)
Adjustments for:		
Conclusion of Company Voluntary Arrangement	84	-

Operating cash flows before movements in working capital	1	(57)
Operating activities		
(Increase)/Decrease in other receivables	116	(137)
(Decrease)/increase in other payables	(164)	(107)
Net cash outflow from operating activities	(47)	(301)
Investing activities		
Proceeds from the sale of investment	-	-
Net cash inflow from investing activities	-	-
Financing activities		
Issue of shares	-	-
Net cash inflow from financing activities	-	-
Increase/(decrease) in cash and cash equivalents	(47)	(301)
Net cash at the start of the period	66	488
Net cash at the end of the period	19	187

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 2022. 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 2022, 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 2023 is based on a net loss after taxation of £83,000 and on a weighted average of 15,838,260 ordinary shares in issue during the period.

The capital loss per ordinary share for the six months ended 30 June 2023 is based on a net capital profit after taxation of £Nil and on a weighted average of 15,838,260 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 £434,000 (31 December 2022: net liabilities of £510,000) and on 18,198,295 (31 December 2022: 15,196,857) 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 2023 were £Nil (six months ended 30 June 2022: £10,000) At 30 June 2023 directors were owed £Nil (30 June 2022: £60,370).

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 2023 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 2022, 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 31 December 2022 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 2022. 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

20 September 2023

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