

Pires Investments plc

(Incorporated in England and Wales with registered number 02929801)

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 OCTOBER 2019

Contents

	<i>Page</i>
Company Information	1
Chairman's Statement	2
Strategic Report	3
Directors' Report	6
Report on Remuneration	8
Statement of Directors' Responsibilities	9
Corporate Governance Report	10
Report of the Independent Auditor	17
Statement of Comprehensive Income	20
Statement of Changes in Equity	21
Statement of Financial Position	22
Statement of Cash Flows	23
Notes to the Financial Statements	24

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

Company Information

Directors

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

Secretary

Robert Porter

Registered office

c/o Cooley Services Limited
Dashwood House
69 Old Broad Street
London
EC2M 1QS

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

Broker

Peterhouse Capital Limited
3rd Floor
80 Cheapside
London
EC2V 6EE

Registrars

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

Company Registration number

02929801

Chairman's Statement

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

I am pleased to report significant further progress in the year to 31 October 2019. The Company achieved a pre-tax profit of £865,510 (2018: £322,069) with the value of our investment portfolio rising to £1,165,409 (2018: £1,029,526) after investment realisations during the period of £1,016,114 (2018: £264,882). Net asset value at the year-end was £2,564,582 (2018: £949,617), equivalent to 3.56p per share, and earnings were 1.64p per share (2018: 0.95p).

In February 2019, we raised just over £780,000 in new equity capital. In October 2019, we obtained shareholder approval for an extension of our investing policy to include technology and invested £1.1 million for a 13% stake in Sure Valley Ventures ("SVV"), a venture capital fund which invests in the software technology sector with a specific focus on artificial intelligence ("AI"), the internet of things ("IoT") and augmented and virtual reality ("AR/VR"). To date, we have made further investments in SVV in line with our funding commitment totalling approximately £370,000. Our technology investments now represent much the larger part of our portfolio, reflecting our change of investment emphasis.

Shareholders will also be aware that on 24 April 2020, the Company completed a placing to raise further funds amounting to £1.06 million of which £454,286 has been firmly placed and £605,714 placed conditional upon approval at the forthcoming Annual General Meeting. As part of the placing, we are pleased to welcome the well-known technology investor, Chris Akers, as a significant shareholder in the Company.

The Company is now seeing a growing number of new investment opportunities and the Board believes that the Company now has the resources to enable it to take advantage of them as they arise.

Our results in the last financial year were largely the result of the increased value and partial realisation of our holding in Eco (Atlantic) Oil & Gas Limited ("Eco Atlantic") which has proved a very successful investment for the Company. The Company has now disposed of the majority of its holding in Eco Atlantic, prior to the share price fall triggered by recent market conditions and the sharp fall in oil prices. Overall, we have generated total net cash proceeds of £1.6 million and realised a total net profit on disposal of almost £1 million from this investment.

Our recent focus on technology has proved successful to date. In December 2019, very soon after our initial investment in SVV, one of its portfolio companies, Artomatix Limited, was acquired at a price 500% the valuation at which the investment was made. As realisations when achieved are paid out to investors, Pires received a cash distribution of over €720,000 with a balance of €82,000 due eighteen months after the sale.

A number of the other portfolio companies have also made significant progress since our investment. For example, the share price of VR Education Holdings plc which is quoted on AIM has increased by almost 30% since the beginning of the year. In March 2020, VividQ Limited raised a further £2.4 million from two strategic venture capital funds. VividQ has leading edge software providing holography to consumer electronics. In April 2020, Admix (the trading name for WAM Group Limited), which has developed a programmatic monetization platform for gaming and other entertainment developers, raised US\$6.1 million from existing and new investors at a 450% premium to the valuation at which SVV's initial investment was made. Also, in April 2020, environmental technology specialist, Ambisense Limited, announced its involvement in ground surveys for a very large UK infrastructure project – the Lower Thames Essex-Kent Crossing. More recently, SVV has invested in Buymie Technologies Limited, a company that has created a platform that uses artificial intelligence to provide consumers with access to multiple large retailers – a particular pertinent investment given the Covid-19 crisis.

In March 2020, Pires announced a direct investment of €250,000 in Getvisibility (the trading name for Visibility Blockchain Limited), an artificial intelligence security company, addressing the substantial and increasing problem which corporations face in storing, sorting, accessing and protecting data. It has developed and launched a software platform using artificial intelligence that delivers visibility over a wide range of data.

In view of the current Covid-19 pandemic, it is appropriate to make some comment on the position of the Company. Pires, unlike very many other companies, remains able to carry on its activities effectively. Furthermore, we believe that the Company's technology investments are well positioned against the background of Covid-19. We are, however, keeping all such matters under close review.

In summary, the Company has made good progress during the financial year and beyond. The Board's intention is to build a broadly based technology investment company with interests in a range of companies with exciting growth potential. We believe that the fundraisings that we completed, the successful realisation of a key part of our existing portfolio and the investments that we have made represent valuable first steps in this direction. We look forward to further progress in the current financial year.

Peter Redmond
Chairman
29 April 2020

Strategic Report

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

Business review and future developments

Investment portfolio

During the year, the Company disposed of some of its holdings in Eco (Atlantic) Oil and Gas Limited. On 8 January 2019, the shareholders of the SalvaRX plc approved the sale of the Company's 94.2 per cent in SalvaRx Limited to Portage Biotech Inc. ("Portage") in exchange for shares in Portage, a company quoted on the Canadian Stock Exchange Through the acquisition of SalvaRx Limited, Portage acquired the operating business' of SalvaRx plc. Shares thus acquired by SalvaRx plc have subsequently been distributed to its shareholders. As a result, the Company now holds shares directly in Portage. As at 31 October 2019, the Company's investment portfolio comprised:

Investment portfolio	Value (£)*
Equities	
Portage Biotech; Kazera Global; ECO (Atlantic)	1,165,409
Cash	1,426,799
Total	2,592,208

* based on the market valuation of the respective companies' shares at 31 October 2019.

Going concern

The Company's activities resulted in a profit of £865,510 (2018: profit of £322,069) and, as at 31 October 2019, the Company's cash balance was £1,426,799 (2018: £48,028).

The Company's administrative expenses in the 12 month period from the signing of these financial statements are more than supported by the cash balance as at 31 October 2019, and at the date of signing 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 if it were to arise.

The Directors therefore consider that, based upon their financial projections, the Company will be a going concern for the next twelve 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 and implemented in accordance with the requirements of Rule 15 of the AIM Rules (as in force at that time) on that date. A copy of the investing policy is available on the website (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 12 and 13 to the financial statements.

Key performance indicators

The key performance indicators are set out below:

	31 October 2019 £	31 October 2018 £	Change %
Net asset value	2,564,582	949,617	170%
Net asset value – fully diluted per share	0.0386	0.0280	38%
Cash and cash equivalents	1,426,799	48,028	2,870%

Strategic Report (continued)

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

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 be able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

Impact of COVID-19

Impact 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 recent 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.

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

It is likely that, 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.

Peter Redmond

Director

29 April 2020

Directors' Report

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

The Directors present their annual report and the audited Company financial statements of Pires Investments plc for the year ended 31 October 2019.

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 profit from continuing activities for the year was £865,510 (2018 profit: £322,069). The Directors are not recommending the payment of a dividend (2018: nil).

Principal activities and review of business

The principal activity of the Company throughout the year 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 21 November 2019, the Company completed its initial investment of £1.1 million into Sure Valley Ventures ("SVV"). SVV is a venture capital fund focused on investing in the software technology sector with a specific focus on augmented and virtual reality ("AR/VR"), artificial intelligence ("AI") and the internet of things ("IoT").

On 23 December 2019, the Company announced that an agreement had been signed to sell one of the companies within the SVV portfolio, Artomatix, for cash to a leading technology company. Artomatix provides an artificial intelligence platform that is able to automate the creation of 3D content. The amount accruing to Pires from this sale was €803,274, of which €721,274 has been received, with the balance expected in 18 months. The sale of Artomatix represented a cash multiple of around 5x the initial investment made by SVV and was achieved relatively recently after the Company had completed its investment in SVV.

Since 31 October 2019, the Company has disposed of the majority of its holding in Eco (Atlantic) Oil and Gas Limited prior to the recent market turmoil and the setback in oil prices, generating total net cash proceeds of £1.57 million and realising a total net profit on disposal of almost £1 million from this investment.

On 10 March 2020, the Company announced that it had invested €250,000 in Visibility Blockchain Limited, a private company which trades under the name Getvisibility. Getvisibility is an artificial intelligence security company, addressing the substantial and increasing problem which corporations face in storing, sorting, accessing and protecting data.

On 24 April 2020, the Company announced that it had conditionally placed new ordinary shares to raise just over £1 million from both existing and new investors.

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

The following Directors have held office since 1 November 2018:

Peter Redmond
John May
Nicholas Lee

Charitable and political donations

No charitable or political donations were made during the year (2018: nil).

Substantial shareholders

As at 28 April 2020, this shareholder information is based on the Pires Investments plc share register and disclosures made by shareholders:

	Ordinary shares of 0.25p each Number	% of the issued ordinary share capital
Riverfort Global Opportunities plc	16,149,993	24.30%
Nicholas Clark	4,400,00	6.62%
Brightgrow SSAS	2,500,000	3.76%
Barry Reynolds	3,334,393	5.00%

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

Siobhan Robinson is the sole beneficiary of BrightGrow SSAS and fiancée of Nicholas Clark.

The Directors had no beneficial interests in the share capital of the Company as at 31 October 2019 and 31 October 2018, 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

29 April 2020

Report on Remuneration

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

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:

	Salary 2019 £	Fees 2019 £	Total 2019 £	Total 2018 £
Peter Redmond	27,000	20,000	47,000	21,977
John May	27,000	20,000	47,000	25,000
Nicholas Lee	27,000	20,000	47,000	25,000
	81,000	60,000	141,000	71,977

As at 31 October 2019, £nil Directors fees (2018: £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 October 2019 and 31 October 2018.

Peter Redmond
Director
29 April 2020

Statement of Directors' Responsibilities

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

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 with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Company financial statements under IFRSs as adopted by the EU. 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. 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

29 April 2020

Corporate Governance Report

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

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 two other Directors whilst it is seeking investment opportunities. It is responsible for approving Company policy and strategy and for implementing it with support from consultants. 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 Committee

During the year the Audit Committee comprised John May and Peter Redmond. The Committee has met with the auditor's 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.

These disclosures were last reviewed on the 24 April 2020.

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, www.piresinvestments.com.</p>

Corporate Governance Report (continued)

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

<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 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 1479 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.
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.																		

	<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"> • a review of the business at each Board meeting, focusing on any new decisions/risks arising; • the performance of investments; • selection criteria of new investments; and • reports prepared by third parties.
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The Board comprised, the Chairman Peter Redmond, who has key responsibility for the day to day management and two non- executive directors, John May and Nicholas Lee. 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 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>Board Meetings</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 12 months there have been 14 board meetings and the Audit and Remuneration Committee has 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>

Corporate Governance Report (continued)

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

<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 three directors and, in addition, the Company uses the services of Robert Porter for ad hoc 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 (24.3%) in Pires.</p> <p>John May is currently the Company's only independent non-executive director.</p> <p>The Company notes the guidance in the QCA Code is for a company to have at least two independent non-executive directors. However, the Directors are satisfied that the Company's board composition is currently appropriate but is committed to reviewing the situation in the forthcoming financial year with the objective of appointing a further independent non-executive director.</p> <p>Peter Redmond, Chairman</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>John May- Director</p> <p>John is a Fellow of the Institute of Chartered Accountants in England and Wales. He is the Managing Partner of City & 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>Nicholas Lee- Director</p> <p>Nicholas has more than 25 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 Investment Director of AIM-listed Riverfort Global Opportunities plc and a director of Immotion Group plc. Nicholas qualified as a chartered accountant with Coopers & Lybrand and has an MA in engineering from St John's College, Cambridge.</p>
--------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>Evaluation of Board Performance: 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>The Company undertakes to review the appropriateness of the role of an executive Chair in the following year in the context of its overall strategy.</p>
<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Corporate Culture: 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 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>

Corporate Governance Report (continued)

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

<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, www.piresinvestments.com.</p>
--------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Peter Redmond

Director

29 April 2020

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

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

Opinion

We have audited the financial statements of Pires Investments Plc (the 'Company') for the year ended 31 October 2019 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 Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

Emphasis of matter

We draw attention to Note 1 of the financial statements, which describes the Company's assessment of the Covid-19 impact on its ability to continue as a going concern. The Company has explained 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. Our opinion is not modified in this respect.

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.

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 profit and loss of £1,165,409 as at 31 October 2019 (see note 11). There is a risk that these 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.

How we addressed it

- We confirmed ownership of each investment held;
- We compared the year end share price from external sources to those used by management;
- We tested the disclosures made within the financial statement to ensure compliance with IFRS.; and
- We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.

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

Annual Report and Financial Statements
FOR THE YEAR ENDED 31 OCTOBER 2019

Our application of materiality

Materiality for the Company financial statements as a whole was set at £43,300 (2018: £48,265).

This has been calculated as 5% of the benchmark of Net Assets (2018: 5% of the benchmark of Net Assets), which we have determined, in our professional judgment, 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 £2,165 (2018: 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

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 year 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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: <https://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 Auditors' 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.

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

15 Westferry Circus
Canary Wharf
London E14 4HD

29 April 2020

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	2018 £
CONTINUING ACTIVITIES			
Income			
Other Income	6	1,368	11
Total income		1,368	11
Gain on investments held at fair value through profit or loss	11	1,151,997	574,987
Operating expenses		(287,855)	(252,929)
Operating profit from continuing activities	4	865,510	322,069
Profit before taxation from continuing activities		865,510	322,069
Tax	8	-	-
Profit for the year from continuing activities		865,510	322,069
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to equity holders of the Company		865,510	322,069
Basic profit per share			
Equity holders			
Basic and diluted	9	1.64p	0.95p

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

Statement of Changes in Equity

FOR THE YEAR ENDED 31 OCTOBER 2019

	Share Capital £	Share Premium £	Capital Redemption Reserve £	Retained Earnings £	Total £
Balance at 1 November 2017	11,914,727	3,581,055	164,667	(15,032,901)	627,548
Profit and total comprehensive profit for the year	-	-	-	322,069	322,069
As at 31 October 2018	11,914,727	3,581,055	164,667	(14,710,832)	949,617
Profit and total comprehensive profit for the year	-	-	-	865,510	865,510
Issue of shares (net of costs)	81,429	668,026	-	-	749,455
As at 31 October 2019	11,996,156	4,249,081	164,667	(13,845,322)	2,564,582

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.

Statement of Financial Position

AT 31 OCTOBER 2019

	Notes	2019 £	2018 £
Non-current assets			
Investment in subsidiaries	14	1	1
Total non-current assets		1	1
Current assets			
Investments	11	1,165,409	1,029,526
Trade and other receivables	15	11,307	11,357
Cash and cash equivalents		1,426,799	48,028
Total current assets		2,603,515	1,088,911
Total assets		2,603,516	1,088,912
Equity			
Issued share capital	16	11,996,156	11,914,727
Share premium	16	4,249,081	3,581,055
Retained earnings		(13,845,322)	(14,710,832)
Capital redemption reserve		164,667	164,667
Total equity		2,564,582	949,617
Liabilities			
Current liabilities			
Trade and other payables	17	38,934	139,295
Total liabilities and current liabilities		38,934	139,295
Total equity and liabilities		2,603,516	1,088,912

These financial statements were approved and authorised for issue by the Board of Directors on 29 April 2020 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 YEAR ENDED 31 OCTOBER 2019

	2019 £	2018 £
<i>Cash flows from operating activities</i>		
Profit	865,510	322,069
Depreciation	-	-
Realised (gain) on disposal of investments	(419,198)	(82,192)
Fair value movements in investments	(732,799)	(492,795)
Finance income	(1,368)	(11)
(Increase) / decrease in receivables	50	(1,482)
(Decrease) in payables	(100,361)	(27,596)
Net cash used in operating activities	(388,166)	(282,007)
<i>Cash flows from investing activities</i>		
Payments to acquire tangible fixed assets	-	-
Payments to acquire investments	-	(176,000)
Proceeds of disposal of investments	1,016,114	264,882
Finance income received net	1,368	11
Net cash generated in investing activities	1,017,482	88,893
<i>Cash flows from financing activities</i>		
Net proceeds from share issues	749,455	-
Net cash from financing activities	749,455	-
Net (decrease) / increase in cash and cash equivalents during the year	1,378,771	(193,114)
Cash and cash equivalents at beginning of year	48,028	241,142
Cash and cash equivalents at end of year	1,426,799	48,028

Notes to the Financial Statements

FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES

General Information

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

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

The address of the registered office is c/o Cooley Services Limited, Dashwood House, 69 Old Broad Street, London, EC2M 1QS.

These financial statements are prepared in Pounds Sterling, 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 International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union applicable to companies reporting under IFRSs. The financial statements have also been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs 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 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.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1. ACCOUNTING POLICIES (continued)

Statement of compliance

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

During the year the Company adopted IFRS 9 and IFRS 15.

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. Dividend income recognition is not considered to change as a result of the transition to IFRS 15 as it is not contractual and therefore does not fall within the scope of this standard. The Company currently has no other revenue sources and therefore the Directors do not consider that there was any impact on the Company on adoption of this standard.

IFRS 9 became effective for all periods beginning on or after 1 January 2018 and as such is relevant for the year ended 31 October 2019. IFRS 9 impacts the recognition, classification, measurement and disclosures of financial instruments. The Company reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The significant financial instruments held in the Company are Financial assets at fair value through profit or loss (non-current and current) and trade and other payables.

Financial assets at fair value through profit or loss

The Company holds a number of investments at the year ended 31 October 2019, which are classified as current. Under IFRS 9 current financial assets are held at fair value through profit or loss which is unchanged from the previous standard.

Under IFRS 9 financial assets measured at fair value through profit or loss are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other payables

Under IFRS 9 trade payables continue to be measured at amortised cost using the effective interest rate method.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(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 2018 and not yet early adopted.

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 and (in some cases) have not yet been endorsed by the EU. The Group and Company intend to the adopt these standards, if applicable, when they become effective.

Standard	Description	Effective date for annual periods beginning on or after
IFRS 16	Leases – new standard. The standard requires lessees to account for leases under a single on-balance sheet model in a similar way to finance leases under IAS 17.	1 January 2019
IAS 12	Amendments to IAS 12, "Income Taxes" resulting from Annual improvements 2015-2017 Cycle (income tax consequences of dividends)	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 3	Amendments to IFRS 3 "Business Combinations" to clarify the definition of a business	1 January 2020

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (continued)

Standard	Description	Effective date for annual periods beginning on or after
IAS 12	Amendments to IAS 12, "Income Taxes" resulting from Annual improvements 2015-2017 Cycle (income tax consequences of dividends)	1 January 2020
IAS 1	Amendments to IAS 1, "Presentation of Financial Statements" regarding the definition of "material"	1 January 2020
IAS 8	Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and errors" regarding the definition of "material"	1 January 2020

The Company has not early adopted any of the above standards. The Directors have assessed the impact of IFRS 16 (as disclosed in the table above) 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.

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.

1. ACCOUNTING POLICIES (continued)

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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

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:

As a result of an HMRC investigation in the year, the VAT status of the Company changed. Following consultation, the Directors have made a judgement in respect of the amount including penalties that may be owed (see note 17). This estimate is based on all available information and the actual amount payable to HMRC may differ from the estimate made.

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. OPERATING PROFIT

	2019 £	2018 £
Operating profit from continuing activities is stated after charging:		
Depreciation of property, plant and equipment	-	-

5. AUDITORS REMUNERATION

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

	2019 £	2018 £
Fees payable to auditors for the audit of the Company's financial statements	18,000	18,000
Fees payable to the Company's auditor and its associates for other services:		
Other services relating to taxation	21,849	3,200
All other services	-	-
	39,849	21,200

6. OTHER INCOME

The Company's other income was:

	2019	2018
	£	£
Interest receivable	1,368	11
	1,368	11

7. REMUNERATION

The Company's employee emoluments expense was:

	2019	2018
	£	£
Emoluments	42,000	21,977
Social security costs	-	871
	42,000	22,848

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

	2019	2018
	No	No
	3	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 and are considered to be the key management personnel.

8. TAX EXPENSE

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

	2019	2018
	£	£
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	865,510	322,069
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.0% (2018: 19.0%)	164,447	61,193
Effects of:		
Expenses not deductible for tax purposes net of income not subject to corporation tax	-	9,500
Income not taxable for tax purposes	(228,379)	(109,248)
Deferred tax not recognised	63,932	38,555
Tax charge	-	-

The Company has tax losses available to carry forward against relevant future taxable income and profits of approximately £6.3 million (2018: £6.6 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 year (2018: nil) and the tax charge for the year was nil (2018: nil).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

9. EARNINGS PER SHARE

	2019 £	2018 £
Profit attributable to the owners of the Company		
Continuing Operations	865,510	322,069
	2019 No. of Shares	2018 No. of shares
Weighted average number of shares for calculating basic profit per share	52,900,940	33,900,805
	2019 Pence	2018 Pence
Basic and diluted profit per share		
Continuing Operations – basic and diluted	1.64	0.95

There is no diluted earnings per share in 2019 due to the fact that all warrants had lapsed during the prior period. There were no diluted earnings per share in 2018 as all warrants lapsed during the period.

10. 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.

11. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 £	2018 £
Investments at fair value brought forward	1,029,526	543,421
Purchase of investments	-	176,000
Investment disposals	(596,916)	(182,690)
Movement in investment holding	732,799	492,795
Balance	1,165,409	1,029,526
<i>Categorised as</i>		
Level 1 – quoted prices	1,165,409	1,029,526
Level 3 – Unquoted investments	-	-
Gains on investments held at fair value through profit or loss		
Movement in investment holding gains	732,799	492,795
Realised gain on disposal of investments	419,198	82,192
Net gain on investments held at fair value through profit or loss	1,151,997	574,987

11. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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 3)

The value of the unquoted investments as at 31 October 2019 was £nil and comprised a holding in Evolution Energy E&P plc (previously named Shale Energy plc). Evolution Energy E&P plc is an unquoted public company whose focus is the acquisition or development of oil, gas or shale gas assets principally in the UK and USA. The Company impaired the carrying value to £nil at 31 October 2017.

12. 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 and loans and receivables. 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 £1,426,799 (2018: £48,028) comprising cash and cash equivalents and loans and receivables.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

12. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**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 quoted investments is as follows:

Change in equity

	2019	2018
	£	£
Increase in quoted investments by 10%	116,541	102,953
Decrease in quoted investments by 10%	(116,541)	(102,953)

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

	2019	2018
	£	£
Financial assets:		
Fair value through profit or loss investments	1,165,409	1,029,526
Cash and cash equivalents	1,426,799	48,028
Total	2,592,208	1,077,554

Financial liabilities by category:

	2019	2018
	£	£
Trade and other payables	38,934	139,295

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Cost	£
At 1 November 2017	1
Disposals during the year	-
At 1 November 2018	1
Disposals during the year	-
Additions during the year	-
At 31 October 2019	1
Provision for diminution in value	
At 1 November 2017 and 1 November 2018	-
Disposals during the year	-
At 31 October 2019	-
Net book value	
At 31 October 2019	1
At 31 October 2018	1

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

At 31 October 2019 the subsidiary was as follows:

Subsidiary undertaking	Country of registration	Principal activity	Percentage holding
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.

15. TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
Prepayments	11,307	11,357
	11,307	11,357

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.

16. ISSUED SHARE CAPITAL

	Ordinary shares		Deferred shares		Share Premium
	Number of shares	Nominal value	Number of shares	Nominal value	
		£		£	£
Issued and fully paid:					
At 1 November 2017 and 2018	33,900,805	84,752		11,829,975	3,581,055
Ordinary shares issued in the year:					
Ordinary shares of 0.25p each	32,571,660	81,429		-	700,291
Share issue costs	-	-		-	(32,265)
At 31 October 2019	66,472,465	166,181		11,829,975	4,249,081

Share issues during the year:

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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

16. ISSUED SHARE CAPITAL (continued)**Options and Warrants**

There were no outstanding options. The warrants over the ordinary share capital of the Company that were issued during the year ended 31 October 2017 lapsed and nil are outstanding as at 31 October 2019 as detailed below. (2018: nil):

	Exercise price for the year ended 31 October 2019 £	Number of shares to be issued upon exercise for the year ended 31 October 2019	Exercise price for the year ended 31 October 2018 £	Number of shares to be issued upon exercise for the year ended 31 October 2018
Outstanding at beginning of period	-	-	-	-
Lapsed during the period	-	-	-	-
Outstanding at end of period	-	-	-	-
Exercisable at end of period	-	-	-	-

The warrants on 8,750,000 shares had an exercise price of 4.25 pence each, and were exercisable for a period of 18 months from the date of issue, the last exercise date being 2 May 2018.

The warrants on 2,500,000 shares had an exercise price of 4.25 pence each, and were exercisable for a period of 18 months from the date of issue, the last exercise date being 25 May 2018.

Both tranches of warrants lapsed unexercised in May 2018.

17. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	6,570	50,387
Other payables	-	1,600
Accruals and deferred income	31,200	32,630
Provisions	-	50,000
Taxation and social security	1,164	4,678
	38,934	139,295

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

The provision in 2018 relates to amounts that may be payable to HMRC in connection with the investigation of the Companies VAT status. This review was concluded in May 2019 with all outstanding amounts settled. The Company also de-registered from VAT in March 2019.

18. CONTINGENT LIABILITIES

At 31 October 2019 and 2018, the Company had no material contingent liabilities.

19. CAPITAL COMMITMENTS

The Company may invest in collective investment vehicles or funds, subscriptions to which are usually made on a commitment basis. In these circumstances, the Company may be expected to make a commitment to invest that may be drawn down, or called, from time to time, at the discretion of the manager of the fund or collective investment vehicle. The Company will usually be contractually obliged to make such capital call payments and failure to do so would usually result in the Company being treated as a defaulting investor by the fund or collective investment vehicle.

19. CAPITAL COMMITMENTS (continued)

The Company expects to satisfy the cash calls on any such commitments through a combination of reserves and, where applicable, the use of its cash balances, realisation of its other investments, anticipated future cash calls to the Company, the use of borrowings or, potentially, through the further issue of shares in the Company.

On 2 September 2019, the Company entered into a commitment, 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 virtual reality (“AR/VR”), artificial intelligence (“AI”) and the internet of things (“IoT”). Sure Valley Ventures has a portfolio of ten investee companies at different stages of development and the €3.5 million investment by the Company would be expected to be made over the life of the fund.

20. 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 required and are disclosed below:

Fees:

	2019	2018
	£	£
Fees for consultancy services supplied by Catalyst Corporate Consultants Limited, a company beneficially controlled by Peter Redmond and of which he is a director	35,000	13,000
Fees for consultancy services supplied by City and Westminster Corporate Finance LLP, an LLP controlled by John May as Managing Partner.	47,000	25,000
Fees for consultancy services supplied by ACL Capital Limited, a company of which Nicholas Lee is a director	17,000	13,000

Share placing

In February 2019 the Company carried out a share placing of which Riverfort Global Opportunities plc, a company in which Nicholas Lee is Investment Director, participated acquiring 7,816,660 new shares.

21. POST BALANCE SHEET EVENTS

On 21 November 2019, the Company completed its initial investment of £1.1 million into Sure Valley Ventures (“SVV”). SVV is a venture capital fund focused on investing in the software technology sector with a specific focus on augmented and virtual reality (“AR/VR”), artificial intelligence (“AI”) and the internet of things (“IoT”).

On 23 December 2019, the Company announced that an agreement had been signed to sell one of the companies within the SVV portfolio, Artomatix, for cash to a leading technology company. Artomatix provides an artificial intelligence platform that is able to automate the creation of 3D content. The amount accruing to Pires from this sale was €803,274, of which €721,274 has been received, with the balance expected in 18 months. The sale of Artomatix represented a cash multiple of around 5x the initial investment made by SVV and was achieved relatively recently after the Company had completed its investment in SVV.

Since 31 October 2019, the Company has disposed of the majority of its holding in Eco (Atlantic) Oil and Gas Limited prior to the recent market turmoil and the setback in oil prices, generating total net cash proceeds of £1.57 million and realising a total net profit on disposal of almost £1 million from this investment.

On 10 March 2020, the Company announced that it had invested €250,000 in Visibility Blockchain Limited, a private company which trades under the name Getvisibility. Getvisibility is an artificial intelligence security company, addressing the substantial and increasing problem which corporations face in storing, sorting, accessing and protecting data.

On 24 April 2020, the Company announced that it had conditionally placed new ordinary shares to raise just over £1 million from both existing and new investors.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 OCTOBER 2019

21. POST BALANCE SHEET EVENTS (continued)

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.