



Path Investments plc - PATH INTERIM RESULTS
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Path Investments plc
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Path Investments plc
("Path" or the "Company")

Interim Results for the six months to 30 June 2017

Path Investments plc (TIDM: PATH), the energy investment company, announces its interim results for the six months to 30 June 2017.

Highlights

- Admission to the Standard List segment of the Main Market of the London Stock Exchange on 30 March 2017 ("Admission")
- Placing to raise £1.4 million at Admission
- 27 potential investment opportunities considered since Admission
- 7 investments currently under consideration, with 2 in advanced stages of discussion
- Profit before tax £73,048 (H1 2016 loss of £1,598,832)
- Earnings per share 0.067p (H1 2016 loss of 7.39p per share)

Commenting, Christopher Theis, Chief Executive of Path, said: "The first half of 2017 was a transformational period for the Company with the Admission to the Standard List. Since Admission we have been extremely busy investigating potential investment opportunities that may meet our criteria. We continue to believe that there is a significant opportunity to acquire interests in assets owned by financially distressed exploration led oil and gas companies and are exploring a number of potential transactions in detail. We look forward to providing further updates on these as appropriate."

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About Path Investments plc

Path is an investment company with the objective of acquiring oil and gas production, or near production, assets which possess a lower risk profile than exploration or development assets. The company has a highly experienced management team and has a worldwide pipeline of potential opportunities.

INTERIM MANAGEMENT REPORT

Chairman's Report

This is my first report since our successful flotation onto the Standard List segment of the Official List of the London Stock Exchange on 30 March 2017. At that time, we welcomed a number of new shareholders to the Company who, with our existing members, wished to grasp the opportunities presented by the current disequilibrium in the energy markets.

Since then your directors have considered some 27 potential investments, the majority of which have been dispensed with, at or before the due diligence stage. Of that number, there are currently 7 investment candidates possessing what your directors believe are features capable of generating the most attractive returns for shareholders, of which 2 are at an advanced stage of discussion. Whilst there can be no certainty that those discussions will lead to completed transactions, the directors are hopeful at this time that the significant progress to date on both deals augurs well for the future.

At the time of our General Meeting on 22nd May 2017 two of our former directors, Donal Boylan and Rakesh Patel, chose to step down from their Board duties. We are very grateful for their help and guidance through some very difficult times, but are pleased to report that they have continued to provide assistance to the Company and remain very supportive of the business.

It remains your Board's belief that the imbalance within the energy markets may well remain at least for the next 2 to 3 years. Opportunities for potential transactions meeting our returns criteria continue to present themselves to us. We have been encouraged by our progress to date and look forward to updating our shareholders further shortly.

Brent Fitzpatrick
Non-executive Chairman

25th September 2017

Financial Review

For the six months to 30 June 2017, the Company recorded a profit before tax of £73,048. There was no income in the period.

Cash flow

During the period, in relation to its Admission to the Standard List Segment of the Main Market of the London Stock Exchange, the Company raised £1.4 million [before expenses] from an issue of 140 million additional Ordinary Shares for a subscription price of £0.01.

As at 30 June 2017 the Company held £586,726 in the bank account.

PATH INVESTMENTS PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Notes	Six months ended 30 June 2017 Unaudited £	Six months ended 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Administrative expenses	3	110,543	(548,838)	(782,195)
Total administrative expenses		110,543	(548,838)	(782,195)
Operating profit/(loss)		110,543	(548,838)	(782,195)
Finance income		5	6	8
Finance cost		(37,500)	-	(75,500)
Amounts written off investments	5	-	(1,050,000)	(1,050,000)
Profit/(loss) on ordinary activities before taxation		73,048	(1,598,832)	(1,907,687)
Tax on profit/(loss) on ordinary activities		-	-	-
Profit/(loss) for the year and total comprehensive loss for year		73,048	(1,598,832)	(1,907,687)
Profit/(loss) per share (pence)				
- Basic & diluted	4	0.067	(7.39)	(8.74)

All operating income and operating gains and losses relate to continuing activities.

PATH INVESTMENTS PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Share Capital £	Share Premium £	Share based payments reserve £	Retained earnings £	Total £
As at 1 January 2016	8,578,088	24,134,750	715,752	(32,994,924)	433,666
Comprehensive income					
Loss for the period	-	-	-	(1,598,832)	(548,832)
Issue of share capital	227,750	-	-	-	227,750
As at 31 June 2016	8,805,838	24,134,750	715,752	(34,593,756)	112,584

	Share Capital	Share Premium	Share based payments reserve	Retained earnings	Total
	£	£	£	£	£
As at 1 January 2017	8,805,838	24,134,750	715,752	(34,902,611)	(1,246,271)
Comprehensive income					
Profit for the period	-	--	--	73,048	73,048
Issue of share capital	173,930	1,565,363	--	-	1,739,293
Share issue costs	-	(283,088)	-	-	(283,088)
Waived share options	-	--	(382,479)	382,479	-
Transfer to retained reserves	-	--	(333,273))	333,273	-
Share based payment	-	--	-	298,290	298,290
As at 30 June 2017	8,979,768	25,417,025	--	(33,815,521)	581,272

The Share Capital represents the nominal value of the equity shares.

The Share Premium represents the amount subscribed for share capital, in excess of the nominal amount, less costs directly relating to the issue of shares.

The Share Based Payments reserve represents the fair value of the equity settled share option scheme.

The Retained Earnings reserve represents the cumulative net gains and losses less distributions made.

PATH INVESTMENTS PLC

STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	As at 30 June 2017 Unaudited £	As at 30 June 2016 Unaudited £	As at 31 December 2016 Audited £
ASSETS				
Non-current assets				
Property, plant and equipment		-	1,411	-
Investments - available for sale	5	-	-	-
		-	1,411	-
Current assets				
Trade and other receivables		7,200	1,500	90,700
Cash and cash equivalents		586,726	30,540	23,672
		593,926	32,040	114,372
LIABILITIES				
Current liabilities				
Trade and other payables	6	(12,654)	(970,867)	(1,360,643)
Net Current Assets/(Liabilities)		581,272	(938,827)	(1,246,271)
NET ASSETS/(LIABILITIES)		581,272	(937,417)	(1,246,271)
SHAREHOLDERS' EQUITY				
Called up share capital	7	195,944	8,805,838	22,014
Deferred shares	7	8,783,824	-	8,783,824

Share premium account	25,417,025	24,134,750	24,134,750
Share based payments reserve	-	715,752	715,752
Retained earnings	(33,815,521)	(34,593,756)	(34,902,611)
TOTAL EQUITY	581,272	(937,416)	(1,246,271)

PATH INVESTMENTS PLC

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months to 30 June 2017	Six months to 30 June 2016	Year ended 31 December 2016
	Unaudited £	Unaudited £	Audited £
Operating loss	110,543	(548,838)	(782,195)
Decrease/(increase) in debtors	83,500	5,470	(83,730)
(Decrease)/increase in creditors within one year	(1,347,989)	242,862	632,638
Depreciation	-	-	1,411
Share based payment	298,290	-	-
Convertible loan note interest	(37,500)	-	(75,500)
Net cash outflow from operating activities	(893,156)	(300,506)	(307,376)
Cash flows from investing activities			
Interest received	5	6	8
Net cash generated from investing activities	5	6	8
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	1,456,205	227,750	227,750
Net cash inflow from financing activities	1,456,205	227,750	227,750
Net increase/(decrease) in cash and cash equivalents	563,054	(72,750)	(79,618)
Cash and cash equivalents at beginning of year	23,672	103,290	103,290
Cash and cash equivalents at end of year	586,726	30,540	23,672

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Path Investments Plc is a public limited company incorporated in the United Kingdom, registered under company number 04006413. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The principal activity of the Company is the investment in oil and gas development and production companies, initially in Turkey.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are presented in UK Sterling and all values are rounded to the nearest pound except where indicated otherwise.

The financial statements have been prepared under the historical cost convention or fair value where appropriate.

The results for the six months to 30 June 2017 have been prepared on the basis of the accounting policies set out in the company's 2016 annual report and accounts. The interim accounts do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The auditor has reported on the 2016 accounts and the report was unqualified and did not contain a statement under section 498(2) of (3) of the Companies Act 2006. The company's 2016 report and accounts have been filed with the registrar of companies.

During the period, there have been no changes in the nature of the related party transactions from those described in the company's 2016 accounts.

The results for the six months are unaudited.

2.2 Responsibility statement

The directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union and as issued by the IASB and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely;

- a) An indication of the important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- b) Material related party transactions in the first six months and any material changes in related party transactions described in the last annual report.

3. ADMINISTRATIVE EXPENSES

	Six months to 30 June 2017	Six months to 30 June 2016	Year ended 31 December 2016
	Unaudited £	Unaudited £	Audited £
Directors remuneration	(824,837)	267,561	415,013
Share based payment	298,291	-	-
Other administrative expenses	416,003	281,277	367,182
	(110,543)	548,838	782,195

Included in Directors Remuneration for the period ended 30 June 2017 are previously accrued salaries and pensions costs of £937,904 which have been waived.

4. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss on ordinary activities after taxation of and on the weighted average number of ordinary shares in issue.

There was no dilutive effect from the share options or convertible loan notes outstanding during the period.

In order to calculate the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares according to IAS33. Dilutive potential ordinary shares include convertible loan notes and share options granted to Directors and consultants where the exercise price (adjusted according to IAS 33) is less than the average market price of the Company's ordinary shares during the period.

	Six months to 30 June 2017 Unaudited £	Six months to 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Net profit/(loss) for the year	110,543	(1,598,838)	(1,907,687)

The weighted average number of shares in the period were:

Basic and dilutive ordinary shares	108,274,675	21,633,057	21,824,335
Basic and dilutive profit/(loss) per share (pence)	0.067	(7.39)	(8.74)

5. INVESTMENTS - AVAILABLE FOR SALE

	Unlisted Investments Audited £
At 1 January 2016	1,050,000
Impairment	(1,050,000)
At 31 December 2016	-

	Unlisted Investments £ Unaudited
At 1 January 2016	1,050,000
Impairment	(1,050,000)
At 30 June 2016	-

	Unlisted Investments £ Unaudited
At 1 January 2017	-
Impairment	-
At 30 June 2017	-

Unlisted investments are recorded at cost less impairment. Unlisted investments are instruments that do not have a quoted market price in an active market and their fair value cannot be measured reliably. The range of reasonable fair value estimates is significantly wide and the probabilities of the various estimates cannot be reasonably assessed as they relate to the underlying gas reserves in blocks which are currently being explored by a third party company.

The unlisted investments as at 31 December 2016 comprised of a 5 per cent. interest each in ARAR and Alpay Enerji as at an aggregate cost of £8 million of which £6.9 million had already been impaired

During the period to 30 June 2016 and 31 December 2016, Mr. Fatih Alpay, the majority owner of ARAR and Alpay Enerji AS, made an initial offer to the Company of £1,050,000 for its 5% interest in both companies, payable in instalments. However, since the offer was received, progress towards a legal sale and purchase agreement had been slow, as the payment proposed was by instalments over a period and the directors therefore considered the likelihood of finding an alternative buyer to be low, the directors decided to impair the asset to £nil.

6. TRADE AND OTHER PAYABLES

	As at 30 June 2017	As at 30 June 2016	As at 31 December 2016
	Unaudited	Unaudited £	Audited £
Trade payables	376	45,689	140,740
Taxation and social security	9,653	-	-
Other payables	-	-	151,000
Accruals and deferred income	2,625	925,178	1,068,903
	12,654	970,867	1,360,643

7. SHARE CAPITAL

	31 December 2016 Audited no	31 December 2016 Audited £	31 December 2016 Audited no	31 December 2016 Audited £	31 December 2016 Audited no	31 December 2016 Audited £
Allotted, called up and fully paid						
	<i>Ordinary Shares of 40p each</i>	<i>Ordinary Shares of 40p each</i>	<i>Ordinary Shares of 0.1p each</i>	<i>Ordinary Shares of 0.1p each</i>	<i>Deferred Share of 39.9p each</i>	<i>Deferred Share of 39.9p each</i>
At 1 January 2016	21,445,221	8,578,088				
<i>Share issues</i>						
On 23 March 2016, the company issued 62,500 Ordinary shares at par	62,500	25,000				
On 4 April 2016, the	69,375	27,750				

company issued 69,375 Ordinary shares at par On 10 May 2016, the company issued 400,000 Ordinary shares at par On 20 May 2016, the company issued 25,000 Ordinary shares at par On 2 June 2016, the company issued 12,500 Ordinary shares at par							
	400,000	160,000					
	25,000	10,000					
	12,500	5,000					
	<u>22,014,596</u>	<u>8,805,838</u>					
In October 2016, the Company passed an ordinary resolution to subdivide the existing 22,014,596 Ordinary shares of 40 pence each into 22,014,596 New Ordinary shares of 0.1 pence and 22,014,596 Deferred shares of 39.9 pence. The above subdivision also applies to outstanding share options and warrants in October 2016.	(22,014,596)	(8,805,838)	22,014,596	22,014	22,014,596	8,783,824	
As at 31 December	-	-	22,014,596	22,014	22,014,596	8,783,824	

2016

	30 June 2016 Unaudited no	30 June 2016 Unaudited £
Allotted, called up and fully paid		
<i>Ordinary Shares of 40p each</i>		<i>Ordinary Shares of 40p each</i>
At 1 January 2016	21,445,221	8,578,088
<i>Share issues</i>		
On 23 March 2016, the company issued 62,500 Ordinary shares at par	62,500	25,000
On 4 April 2016, the company issued 69,375 Ordinary shares at par	69,375	27,750
On 10 May 2016, the company issued 400,000 Ordinary shares at par	400,000	160,000
On 20 May 2016, the company issued 25,000 Ordinary shares at par	25,000	10,000
On 2 June 2016, the company issued 12,500 Ordinary shares at par	12,500	5,000
At 30 June 2016	22,014,596	8,805,838

	30 June 2017 Unaudited no	30 June 2017 Unaudited £	30 June 2017 Unaudited no	30 June 2017 Unaudited £
Allotted, called up and fully paid				
<i>Ordinary Shares of 0.1p each</i>		<i>Ordinary Shares of 0.1p each</i>	<i>Deferred Share of 39.9p each</i>	<i>Deferred Share of 39.9p each</i>
At 1 January 2017	22,014,596	22,014	22,014,596	8,783,824
<i>Share issues</i>				
On 22 March 2017, the company issued 140,000,000 Ordinary shares at 1p each	140,000,000	140,000		
On 16 May 2017, the company issued 20,300,000 Ordinary shares at 1p each on conversion of unsecured loan stock 2016	20,300,000	20,300		

On 16 May 2017, the company issued 13,629,206 Ordinary shares at 1p each in settlement of various invoices from the company's advisers.

13,629,206 13,630

As at 30 June 2017

195,943,802	195,943	22,014,596	8,783,824
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PRINCIPAL RISKS AND UNCERTAINTIES

In common with all organisations, the Group faces risks which may affect its performance. The Group operates a system of internal control and risk management in order to provide assurance that we are managing risk whilst achieving our business objectives. No system can fully eliminate risk and therefore the understanding of operational risk is central to management processes. The long-term success of the Group depends on the continual review, assessment and control of the key business risks it faces.

The Directors set out in the Prospectus dated 24 March 2017 the principal risks identified during this exercise, including risks related to the Company and its business, industry related risks and financial risks. The Board does not consider that these risks have changed materially in the last six months.

This information is provided by RNS
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