

RNS Number : 2993K
Paternoster Resources PLC
20 August 2012

PATERNOSTER RESOURCES PLC

"Paternoster" or the "Company"

Unaudited results for the 6 months ended 30 June 2012

Paternoster is pleased to announce its unaudited interim results for the six months ended 30 June 2012.

Chairman's review

Paternoster has made an excellent start to the year recording a profit before taxation of £1,856,334 for the six months to 30 June 2012 (30 June 2011: loss of £308,810). Net assets as at 30 June 2012 amounted to £3,092,265 (30 June 2011: £690,614). Of the Company's net assets, £2,433,734 were represented by cash as a result of the successful realisation of investments.

Despite the recent increase in the Company's share price, I do not believe it reflects these outstanding results and the Company continues to trade at a significant discount to its underlying net assets, the majority of which comprise cash.

The reasons for this seem to be a general lack of liquidity in the small company sector and the absence of a constant deal flow that seems to be a requirement of certain investors. Paternoster is in an extremely enviable position having an excellent track record of investment and realisation and significant cash balances.

We are constantly reviewing a range of opportunities but are only prepared to invest in those that have scope for very significant upside and a level of downside protection - this requirement necessarily slows the rate of investment but for good reason.

The Company has made two investments in the last six months. Astar Minerals plc has a strong position in the North American aggregates market and represents an excellent platform for future expansion. Bison Energy Services Limited owns deposits of frac sand which are extremely sought after in the fast growing North American fracking industry as there is limited supply of such material that is key to the industry. We are also actively working with the Company's other two investments, Brady Exploration plc and Leed Resources plc in order to deliver value to shareholders.

We are very confident that the successes to date can be replicated going forward and that your Company has a very exciting future ahead.

The key performance indicators are set out below.

COMPANY STATISTICS

30 June 2012

31 December 2011

Change %

Net asset value

£3,092,265

£2,168,091

+43%

Net asset value - fully diluted per share

0.499p

0.355p

+41%

Closing share price

0.28p

0.50p

-44%

Share price premium to net asset value

-

41%

-

Market capitalisation

£1,618,000

£3,054,000
-47%

N Lee

Chairman

20 August 2012

For more information please contact:

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Peterhouse Corporate Finance

Jon Levinson

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2012

Unaudited

6 months

ended

30 June

2012

Unaudited

6 months

ended

30 June

2011

Audited

Year ended

31 December

2011

£

£
£

Profit on disposal of investments
1,962,124
-
-

Administration expenses
(106,886)
(305,240)
(392,423)

Operating profit/(loss)

1,855,238
(305,240)
(392,423)

Finance income
1,096
-
876

Profit/(loss) before taxation
1,856,334
(305,240)
(391,547)

Taxation

-

-

1,391

Profit/(loss) for the period from continuing operations

1,856,334

(305,240)

(390,156)

Loss for the period from discontinued operations

-

(3,570)

(3,570)

Profit/(loss) for the period

1,856,334

(308,810)

(393,726)

Basic earnings/(loss) per share

Continuing operations

0.32p

(0.87p)

(0.11p)

Discontinued operations

0.00p

(0.01p)

0.00p

Total basic earnings/(loss) per share

0.32p

(0.88p)

(0.11p)

Diluted earnings/(loss) per share

Continuing operations

0.30p

(0.87p)

(0.11p)

Discontinued operations

0.00p

(0.01p)

0.00p

Total diluted earnings/(loss) per share

0.30p

(0.88p)

(0.11p)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

Unaudited

6 months

ended

30 June

2012

Unaudited

6 months

ended

30 June

2011

Audited

Year ended

31 December

2011

£
£
£

Profit/(loss) for the period

1,856,334
(308,810)
(393,726)

Movement in investment reserve

(951,370)
-
1,085,573

Exchange differences on translating foreign operations

-
(370)
-

Total comprehensive income/(expense) for the period
904,964
(308,440)
691,847

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2012

Called up

share

capital

Share premium

account

Investment reserve

Other reserves

Retained

deficit

Total
equity

£
£

£
£
£

Balance at

1 January 2011
3,285,796
1,852,339
-
27,000
(5,161,091)
4,0744

Loss for the year

-

-

-

-

(393,726)

(393,726)

Other comprehensive income:

Movement in investment reserve

-

-

1,085,573

-

-

1,085,573

Total comprehensive income for the year

-

-

1,085,573

-

(393,726)

691,847

Issue of share capital

545,000

1,005,000

-
-
-
1,550,000

Share issue costs

-
(82,490)
-
-
(82,490)

Share based payment costs

-
-
-
4,690
-
4,690

Transactions with owners

545,000
922,510
-
4,690
-
1,472,200

Balance at

31 December 2011

3,830,796

2,774,849

1,085,573

31,690

(5,554,817)

2,168,091

Profit for the period

-

-

-

-

1,856,334

1,856,334

Other comprehensive income:

Movement in investment reserve

-

-

(951,370)

-

-

(951,370)

Total comprehensive income for the year

-

-

(951,370)

-

1,856,334

904,964

Share based payments costs

-

-

-

19,210

-

19,210

Balance at

30 June 2012

3,830,796

2,774,849

134,203

70,109

(3,698,483)

3,092,265

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

Unaudited

6 months

ended

30 June

2012

Unaudited

6 months

ended

30 June

2011

Audited

Year ended

31 December

2011

£
£
£

ASSETS

Non-current assets

Available for sale investments

629,447

-

1,760,086

Total non-current assets

629,447

-

1,760,086

Current assets

Trade and other receivables

94,533

18,867

85,170

Cash and cash equivalents

2,433,734

730,693

375,659

Total current assets

2,528,267

749,560

460,829

Total assets
3,157,714
749,560
2,220,915

LIABILITIES

Current liabilities

Trade and other payables
65,449
58,946
52,824

Total current liabilities
65,449
58,946
52,824

Net assets
3,092,265
690,614
4,044

EQUITY

Share capital
3,830,796
452,858
3,830,796

Share premium account
2,774,849
2,427,349
2,774,849

Capital redemption reserve

27,000

27,000

27,000

Investment reserve

134,203

-

1,085,573

Share option reserve

23,900

-

4,690

Translation reserve

-

370

-

Retained losses

(3,698,483)

(5,469,901)

(5,554,817)

Total equity

3,092,265

690,614

2,168,091

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2012

Unaudited

6 months

ended

30 June

2012

Unaudited

6 months

ended

30 June

2011
Audited

Year ended

31 December

2011

£
£
£

Cash flows from operating activities

Profit/(loss) before taxation - continuing operations

1,856,334

(305,240)

(391,547)

Loss before taxation - discontinued operations

(3,570)

(3,570)

(3,570)

Profit on disposal of investments

(1,962,124)

-

-

Share based payment expense

19,210

-

4,690

Interest receivable

(1,096)

-

(876)

Increase in trade and other receivables

(9,363)

(10,289)

(76,592)

Increase in trade and other payables

12,625

11,951

5,829

(84,414)
(306,778)
(462,066)

Tax received
-
-
1,391

Net cash used by operating activities
(84,414)
(306,778)
(460,675)

Cash flows from investing activities

Purchase of investments
(300,000)
-
(674,513)

Proceeds from disposal of investments

2,441,393

-

-

Interest received

1,096

-

876

Net cash from investing activities

2,142,489

-

(673,637)

Cash flows from financing activities

Issue of shares

-

1,050,000

1,550,000

Share issue expenses

-

(54,990)

(82,490)

Net cash generated from financing activities

-
995,010
1,467,510

Net increase in cash and cash equivalents

2,058,075
688,232
333,198

Cash and cash equivalents at beginning of period

375,659
42,461
42,461

Cash and cash equivalents at end of period

2,433,734

730,693

375,659

NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2011, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2011. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. The calculation of basic and diluted earnings per share is based on the profit for the period of £1,837,125 (2011: loss £308,810) and a weighted average number of ordinary shares of 577,857,956 (2011: 35,080,331).
3. No interim dividend will be paid.
4. Copies of the interim report can be obtained from: The Company Secretary, Paternoster Resources plc, 31, Harley Street, London W1G 9QS and are available to view and download from the Company's website : www.paternosterresources.com

This information is provided by RNS
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