

## Equity Pre-Ipo Inv Interim Results

RNS Number:7807R

Equity Pre-IPO Investments Ltd

27 September 2005

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EQUITY PRE-IPO INVESTMENTS LIMITED

UNAUDITED INTERIM RESULTS  
FOR THE PERIOD ENDED 30 JUNE 2005

Equity Pre-IPO Investments Limited ("Pre IPO" or "the Company"), the AIM-traded strategic investment company, is pleased to announce its unaudited results for the period from incorporation to 30 June 2005. Some additional information is also provided for the period up to 26 September 2005.

### Highlights:

- \* A rise of 285.5% in the NAV to 41.29 pence per share from 1 January 2005 to 26 September 2005.
- \* Eight investments held as at 26 September 2005
- \* Investment philosophy remains consistent with a focus on pre IPO financings.
- \* Investments now being regularly realised providing funds for further investments.

Martin Shires, Director of Pre IPO, commented:

"Our overall aim with Pre IPO is to invest in companies that we believe will be floated within a short period of time. We believe that this strategy is now starting to bear fruit with a number of our investments having floated and more due to float in the near future. We are pleased with the increase in our NAV this year and hope that we can continue this success going forward."

For further information:

Martin Shires, Director, Equity Pre-IPO Investments Limited	+44 (0) 1481 751 000
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EQUITY PRE-IPO INVESTMENTS LIMITED

UNAUDITED INTERIM RESULTS  
FOR THE PERIOD ENDED 30 JUNE 2005

Directors Review

We are delighted to present these first interim results to shareholders. It shows the financial performance of the Company from incorporation to 30 June 2005. In addition we have included some further information for the period up to 26 September 2005.

Pre IPO was incorporated on 15 September 2004 but did not raise its first material funds or properly begin its investment activities until after it was admitted to trading on AIM on 24 February 2005. Pre IPO has, therefore, only been operating for a short period of time (4 months to 30 June 2005). Given that the nature of the investments made take some months to realise it is too short a period for there to be material changes to the valuations of most investments held.

Net Asset Value

The table below provides summary information about the progress that has been made with the growth in Pre IPO's Net Asset Value ("NAV"). At the beginning of the period, 1 January 2005, it was 14.46 pence per share. This has risen to 41.29 pence per share as at 26 September 2005. This represents an increase in NAV for the period 1 January 2005 to 26 September 2005 of 285.5%. The Directors anticipate that a further two of our investments will achieve a flotation on AIM in the short term at valuations that will further materially change Pre IPO's NAV.

During the first few months of the year we devoted considerable time to the development of Pre IPO's infrastructure, processes and procedures for the assessment and review of potential investments. We believe that this work is now complete though, of course, the Directors will continue to monitor and review these to ensure that they remain effective and efficient. The placing and admission to trading on AIM in February also took considerable financial and time resources to complete. These expenditures have had a material dampening effect on the rise in our NAV but these are one-off costs and we do not anticipate any further costs of a similar nature.

Funding

Our first material fundraising occurred at the time of our admission to trading on AIM in February 2005 when #2.5 million (gross) was raised. In addition we have just successfully completed an additional fundraising of approximately #1.45 million (before expenses) at 42 pence per share, the details of which were announced on 2 September 2005. We also have an option agreement with Danemead Limited under which it must procure the subscription of a total of #4.0 million for the issue of new shares in Pre IPO, with half the total due to be procured during the period 24 October 2005 to 23 November 2005 and the remaining half during the period 24 April 2006 to 23 May 2006. We had anticipated, when we were planning the funding requirements of Pre IPO at the beginning of 2005, that the funds raised at the time of Admission together with the option agreement with Danemead, would provide sufficient cash resources for Pre IPO. However we have found that our investment activity has been much greater than expected and so we undertook the additional fundraising in September 2005 in order that Pre IPO's activities were not unduly hampered by a lack of liquid funds. We expect that the option agreement with Danemead and the realising of cash from investments that have achieved a flotation will provide us with sufficient cash

for the foreseeable future.

#### Investments

As of 26 September 2005 we held investments in a total of eight companies. In addition we have successfully invested and sold investments in two other companies which achieved a flotation. Two of the eight investments currently held have achieved a flotation on AIM and, of the other six investments, all of which are privately held companies, two are expected to achieve a flotation in the short term. Both these companies are finalising details of their flotations and accompanying fundraisings and we expect the valuation of both companies at flotation to be significantly greater than the valuation at which we invested. This would, of course, also materially change our NAV. We are also working towards flotations in late 2005 or early 2006 with two of our other investments, one of which has recently completed a further financing at a valuation that was 88% higher than the price at which we invested.

As a result of the progress that has been made with our investment portfolio we are very excited about the next six months. Our work since the Company began operations should now begin to bear fruit and we expect the NAV to rise considerably as we begin realising funds for new opportunities.

#### Outlook

The Directors believe that the current NAV of 41.29 pence will increase over the next six months as the additional value of our holdings is brought into the balance sheet. We are working on a number of new investments and trying to ensure the early flotation and realisation of our existing holdings.

Martin Shires  
Paul Schreibke  
Jonathan Freeman

27 September 2005

EQUITY PRE-IPO INVESTMENTS LIMITED  
UNAUDITED STATEMENT OF TOTAL RETURN  
FOR THE PERIOD 1 JANUARY 2005 TO 30 JUNE 2005

				For the period 15		
				2004		
				To 31 December		
September						
2004	Note	Revenue	Capital	Total	Revenue	Capital
Total		#	#	#	#	#
#						
GAINS ON INVESTMENTS						
Net realised gains		-	-	-	-	-
-						
Net unrealised gains		-	89,765	89,765	-	51,500
51,500		-----	-----	-----	-----	-----
-----						
		-	89,765	89,765	-	51,500
51,500		-----	-----	-----	-----	-----

-----	-----					
INCOME						
Investment income	-	-	-	-	-	-
-						
Bank interest	19,425	-	19,425	-	-	-
-						
-----	-----		-----	-----		
-	19,425	-	19,425	-	-	-
-						
-----	-----		-----	-----		
EXPENDITURE						
1						
Directors' fees	6,666	-	6,666	-	-	-
-						
Administration fees	-	24,863	24,863	8,750	-	-
8,750						
Professional fees	32,566	-	32,566	4,306	-	-
4,306						
AIM admission expenses	227,823	-	227,823	-	-	-
-						
Consultancy fees	-	50,042	50,042	-	-	-
-						
Audit fee	2,500	-	2,500	3,000	-	-
3,000						
Bank charges and interest	1,214	-	1,214	37	-	-
37						
Sundry expenses	3,487	-	3,487	2,500	-	-
2,500						
-----	-----		-----	-----		
18,593	274,256	74,905	349,161	18,593	-	-
-----	-----		-----	-----		
NET RETURN ON ORDINARY	(254,831)	14,860	(239,971)	(18,593)	51,500	
32,907						
ACTIVITIES FOR THE FINANCIAL						
PERIOD	=====	=====	=====	=====		
=====						
-----	-----		-----	-----		
Return per share - basic	5	(3.06)p	0.18p	(2.88)p	(0.89)p	
2.47p		1.58p				
and diluted						

EQUITY PRE-IPO INVESTMENTS LIMITED  
UNAUDITED BALANCE SHEET  
30 JUNE 2005

	Note		31 December 2004
FIXED ASSETS			
Quoted investments	3	597,264	55,500
Unquoted investments	4	1,478,107	630,000
		-----	

-----			2,075,371	685,500
CURRENT ASSETS				
Cash at bank and broker	7	688,065	11,657	
		-----	-----	
		688,065	11,657	
		-----	-----	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
Sundry creditors	8	11,500	5,250	
		-----	-----	
		11,500	5,250	
		-----	-----	
NET CURRENT ASSETS			676,565	6,407
			-----	
-----				
TOTAL ASSETS LESS CURRENT LIABILITIES			2,751,936	691,907
			=====	
=====				
CAPITAL AND RESERVES				
CALLED UP SHARE CAPITAL	10		97,833	47,833
SHARE PREMIUM ACCOUNT	11		2,861,167	611,167
CAPITAL RESERVE				
REALISED	12		(74,905)	-
UNREALISED	12		141,265	51,500
REVENUE RESERVE	12		(273,424)	
(18,593)				
			-----	
-----				
SHAREHOLDERS' FUNDS	13		2,751,936	691,907
			=====	
=====				
Net asset value per share	6		28.13p	
14.46p				

EQUITY PRE-IPO INVESTMENTS LIMITED  
UNAUDITED CASH FLOW STATEMENT  
FOR THE PERIOD 1 JANUARY 2005 TO 30 JUNE 2005

	Notes	15 September 2004 to 31 December 2004	
Net cash outflow from operating activities	9	(323,486)	(13,343)
Investing activities:			
Purchase of listed securities	9	(451,999)	(4,000)
Purchase of unlisted securities		(848,107)	(630,000)
		-----	-----
Net cash flow from financial investment		(1,623,592)	(647,343)
Financing:			
Issue of own shares	9	2,500,000	659,000

Commission on new shares		(200,000)		-
		-----		-----
	#	676,408	#	11,657
		=====		=====
Increase in cash resources	#	676,408	#	11,657
		=====		=====

EQUITY PRE-IPO INVESTMENTS LIMITED  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
30 JUNE 2005

1. ACCOUNTING POLICIES

(a) CONVENTION

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by The Association of Investment Trust Companies in January 2003. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) INCOME

Dividends receivable from quoted equity investments are recognised on the ex-dividend date. Dividends receivable from equity investments where no ex-dividend date is quoted are recognised when the company's right to receive payment is established. Interest receivable on cash deposits is accounted for on an accruals basis.

(c) FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies other than sterling have been translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the period have been translated at the rates of exchange ruling at the date of the transaction.

(d) VALUATION OF INVESTMENTS

Quoted investments are valued at middle market prices. Unquoted investments are valued by the Board according to the valuation principles of the British Venture Capital Association. Realised gains or losses on the disposal of investments are taken to the capital reserve - realised. Unrealised gains or losses on revaluation of investments are taken to the capital reserve - unrealised.

(e) EXPENDITURE

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except where the expense is incidental to the acquisition or disposal of an investment in which case the expense is added to the cost of the investment or deducted from the sale proceeds.

Expenses that are directly attributable to the management of investments are charged directly to the capital account. With the Directors' long term target for returns on investments being entirely capital gain there is no requirement to apportion these expenses between the revenue and capital account.

2. TAXATION

The company has been granted exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, and is therefore subject to the payment of an annual fee which is currently #600.

3. QUOTED INVESTMENTS

31 December  
2004

At cost	#	455,999	#	4,000
		=====		=====
At market value	#	597,264	#	55,000
		=====		=====

4. UNQUOTED INVESTMENTS

At cost	#	1,478,107	#	630,000
		=====		=====

5. The calculation of basic earnings per share is based on the loss on ordinary activities after tax for the period and on 8,326,981 shares being the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the loss on ordinary activities after tax for the period and on 8,326,981 shares being the weighted average number of shares in issue during the period adjusted for any dilutive effects.

6. The calculation of net asset value is based on the net assets of #2,751,936 and on the ordinary shares in issue of 9,783,335 at the balance sheet date.

7. CASH AT BANK

31 December  
2004

MeesPierson (C.I.) Limited Current account		688,065		11,657
		-----		-----
	#	688,065	#	11,657
		=====		=====

8. SUNDRY CREDITORS

Audit fees		2,500		3,000
Administration fees		9,000		2,250
		-----		-----
	#	11,500	#	5,250
		=====		=====

9. RECONCILIATION OF REVENUE RETURN ON ORDINARY ACTIVITIES BEFORE TAXATION TO NET CASH FLOW FROM OPERATING ACTIVITIES

31 December  
2004

Net return on ordinary activities for the financial period before taxation	(254,831)	(18,593)
Expenses charged to capital	(74,905)	-
Increase in creditors	6,250	5,250
	-----	-----
Net cash outflow from operating activities	# (323,486) =====	# (13,343) =====

10. CALLED UP SHARE CAPITAL

31 December  
2004

Authorised 50,000,000 ordinary shares of #0.01 each	# 500,000 =====	# 500,000 =====
Allotted and fully paid 9,783,335 ordinary shares of #0.01 each	# 97,833 =====	# 47,833 =====

On 18 February 2005 1,280,000 ordinary shares of #0.01 each were issued at a premium of #0.49 each ranking pari passu with the existing shares in issue.

On 23 February 2005 3,720,000 ordinary shares of #0.01 each were issued at a premium of #0.485 each ranking pari passu with the existing shares in issue.

11. SHARE PREMIUM ACCOUNT

Balance at 1 January 2005	611,167
Premium on shares issued	2,450,000
Commission on new shares	(200,000)
	-----
Balance at 30 June 2005	# 2,861,167 =====

12. RESERVES

	Capital Reserve Realised	Capital Reserve Unrealised	Revenue Reserve	Total
Balance at 1 January 2005	-	51,500	(18,593)	32,907
Net return for the financial period	(74,905)	-	(254,831)	(329,736)
Net realised gains/(losses)	-	-	-	-
Net unrealised gains	-	89,765	-	89,765
	-----	-----	-----	-----
Balance at 30 June 2005	# (74,905) =====	141,265 =====	(273,424) =====	(207,064) =====

13. RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS' FUNDS

31 December  
2004

Net Return for the financial period	(239,971)	32,907
Dividends paid (net)	-	-
	-----	-----
	(239,971)	32,907
New share capital subscribed	2,500,000	659,000
Commission on subscriptions	(200,000)	-
	-----	-----
Net addition to shareholders' funds	2,060,029	691,907
Opening shareholders' funds	691,907	-
	-----	-----
Closing shareholders' funds	# 2,751,936	# 691,907
	=====	=====

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