



Herencia Resources PLC - HER Interim Accounts, six months ended 30 June 2019
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23 August 2019

Herencia Resources plc

("Herencia" or the "Company")

Interim Accounts for the six months ended 30 June 2019

Herencia Resources plc is pleased to announce its interim accounts for the six months ended 30 June 2019 as set out below. A copy of the Interims is available on the Company's website www.herenciaresources.com.

Chairman's Statement

Dear shareholders,

It is with great pleasure to share with you the interim results for the six months ended 30 June 2019.

Firstly, I would like to thank the small but professional team at Herencia Resources for their ongoing hard work for our shareholders.

Our focus is to:

- Use our available capital resources to fully explore the Group's copper projects in Chile;
- Identify new exploration projects in South America;
- Recapitalise the Company;
- Review our current supplier and terms of business;
- Turn around the Company's share price.

Financial and Statutory Information

The Group had an operating loss of £145,000 for the six months. The Group received continued financial support from our major shareholders throughout the year. The Group is committed to reduce its debts and invest as much capital as possible into exploration activities.

Outlook

The Group is focused on the development of its exploration projects in Chile. Management has also been searching for new exploration projects in South America in Copper and Gold.

We thank shareholders for their ongoing support and welcome any questions they may have.

Jeff Williams
Non Executive Chairman

23 August 2019

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About Herencia Resources plc.

Herencia Resources plc. is a UK AIM quoted independent copper / gold exploration company focused on exploration in Chile. Further information is available on the company website: www.herenciaresources.com The Interims are set out below:

Herencia Resources Plc
Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2019

	Notes	Six months ended 30 June 2019 (unaudited) £'000	Six months ended 30 June 2018 (unaudited) £'000
Revenue		-	-
Administration expenses		(144)	(424)
Interest expense		(1)	-
		(145)	(424)
Operating profit/(loss)		(145)	(424)
Income/(loss) before tax		(145)	(424)
Income tax expense		-	-
Income/(loss) for the period		(145)	(424)
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations		-	2
Total comprehensive income/(loss) for the period, net of tax		(145)	(422)
Equity holders of the Company		(145)	(422)
Income/(loss) per share			
Income/(loss) per ordinary share-basic and diluted		(0.001)p	(0.040)p

The results shown above relate entirely to continuing operations.

Herencia Resources Plc
Condensed Consolidated Statement of Financial Position
At 30 June 2019

	Notes	30 June 2019 Unaudited £'000	30 June 2018 Unaudited £'000	31 December 2018 Audited £'000
ASSETS				
Non-current assets				
Exploration and evaluation	5	5,818	5,367	5,818
Property, plant and equipment	6	11	17	21
		5,829	5,384	5,839
Current assets				
Cash and cash equivalents		7	155	45
Trade and other receivables		101	53	62
Other assets		-	-	-

		108	208	107
Total assets		5,937	5,592	5,946
LIABILITIES				
Non-current liabilities				
Loans and borrowings	9	1,639	525	1,572
Vendor obligations		1,175	875	1,025
		<u>2,813</u>	<u>1,400</u>	<u>2,597</u>
Current liabilities				
Trade and other payables	8	979	734	1,121
Provisions	7	133	49	111
Loans and borrowings	9	63	397	63
		<u>1,175</u>	<u>1,183</u>	<u>1,295</u>
Total liabilities		3,989	2,581	3,892
Net Assets		1,949	3,011	2,054
EQUITY				
Share capital	10	4,971	5,208	4,931
Share premium	10	24,486	24,271	24,486
Share based payments reserve		71	29	71
Other reserves		-	117	-
Translation reserve		(486)	(369)	(486)
Retained losses		(27,093)	(26,246)	(26,948)
Total equity and reserves		1,949	3,011	2,054

Herencia Resources Plc
Condensed Consolidated Statements of Cash Flows
For the period ended 30 June 2019

	Notes	Six months ended 30 June 2019 Unaudited £'000	Six months ended 30 June 2018 Unaudited £'000
Net cash outflow from operating activities		(145)	(572)
Cash flows from investing activities			
Net funds used for investing in exploration	5	(-)	(423)
Net cash used by investing activities		(-)	(423)
Cash flows from financing activities			
Proceeds from issue of shares	10	40	-
Proceeds from loans	9	67	-
Proceeds from convertible notes		-	919
Net cash generated from financing activities		107	919
Net decrease in cash and cash equivalents		(38)	(76)
Cash and cash equivalents at the beginning of the period		45	233
Exchange fluctuation		-	(2)
Cash and cash equivalents at the end of the period		7	155

Herencia Resources Plc
Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2019

	Share capital £'000	Share premium £'000	Translation reserve £'000	Share-based payments reserve £'000	Other reserves £'000	Retained losses £'000	Total equity £'000
Balance at 1 January 2019	4,931	24,486	(486)	71	-	(26,948)	2,054
Issue of shares	40	-	-	-	-	-	40
Total comprehensive income/(loss) for the period	-	-	-	-	-	(145)	(145)
Balance at 30 June 2019	4,971	24,486	(486)	71	-	(27,093)	1,949
Balance at 1 January 2018	4,801	24,271	(368)	29	117	(25,819)	3,029
Issue of shares	-	-	-	-	-	-	-
Conversion of convertible notes into shares	408	-	-	-	-	-	408
Total comprehensive income/(loss) for the period	-	-	-	-	-	(427)	(427)
Balance at 30 June 2018	5,209	24,271	(368)	29	117	(26,246)	3,011

Herencia Resources Plc
Notes to the Financial Information

1. General Information and principal activities

Herencia Resources plc (The "Company") was incorporated in the United Kingdom with Company Number 05345029. The registered office of the company is 59-60 Russell Square, London WC1B 4HP

This financial information is for the company and its subsidiaries undertakings (together, the "Group"). The principal activities of the entities of the group are as follows:

Company name	Country of registration or incorporation	Principal Activities	Shares held %
Direct			
Tarapaca Resources (Bermuda) Limited	Bermuda	Holding company	100
Indirect			
Tarapaca Holdings (BVI) Limited	British Virgin Islands	Holding company	100
Iquique Resources (Chile) SA	Chile	Mineral exploration	100
Paguanta Mining Services Limited	Chile	Services & employment	100
Herencia Resources (Chile) SA	Chile	Mining exploration	100
Herencia Services SA	Chile	Services and & employment	100

The principal place of business of the group is in the United Kingdom. The interim consolidated financial information is presented in the nearest thousands of pounds sterling (£'000), which is the presentation currency of the group.

2. Basis of preparation

The interim consolidated financial information for the six months ended 30 June 2019 and 30 June 2018 has been prepared in accordance with IAS 34, interim Financial reporting which are unaudited and do not constitute a set of statutory financial statements.

The principal accounting policies used in preparing the interim results are the same as those applied in the Group's Financial Statements for the year ended 31 December 2018, which have been prepared in accordance with international financial reporting standards as adopted by the European Union ("IFRS"). The auditor's report on those accounts was unqualified with an emphasis of matter on going concern.

A copy of the audited consolidated financial statements for the period ended 31 December 2018 is available on the company's website.

Going concern

The consolidated financial information has been prepared on a going concern basis.

In considering the appropriateness of the basis of preparation, the directors have reviewed the group's working capital forecast for a minimum of 12 months from the date of the approval of these financial statements. As at 30 June 2019, the group had £6,833 of available cash. The company proposes to conduct further exploration activities at its Chilean projects and accordingly, will need to raise additional funds before the end of 2019 to maintain sufficient cash resources for its working capital and particularly, continue its efforts to reduce outstanding obligations.

The Directors have a reasonable expectation that the Group has adequate access to resources to continue in operational existence for the foreseeable future and continue to meet, as and when they fall due, its planned exploration and development activities and other liabilities for at least the next twelve months from the date of approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

The interim report for the six months ended 30 June 2019 was approved by the directors on 23 August 2019.

3. Critical accounting estimated and sources of estimation uncertainty

In applying the accounting policies, the directors may at times be required to make critical accounting judgments and estimates about the carrying amounts of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimated and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below:

4. Earnings per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	30-Jun-19	30-Jun-18	31-Dec-18
	£'000	£'000	£'000
Net loss attributable to equity holders of the Group	(145)	(422)	(1,196)
Weighted average number of ordinary shares	11,055,737,793	10,641,517,793	10,723,469,713
Basic and diluted (loss) per share	(0.001)	(0.004)	(0.011)

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

5. Intangible assets and goodwill

At cost	£'000
As at 1 January 2019	5,818

Additions	-
At 30 June 2019	5,818

Carrying amount

As at 30 June 2019	5,818
As at 31 December 2018	5,818

6. Property Plant and equipment

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
At cost	60	60	600
Accumulated depreciation	(49)	(43)	(49)
Total property plant and equipment	11	17	11
Movements in carrying amounts			
Balance at the beginning of the period	17	17	17
Additions	-	-	-
Disposals	-	-	-
Depreciation	(6)	(6)	(6)
Assets classified as held for disposal	-	-	-
Effects of foreign currency exchange	-	-	-
Differences arising during the year	-	-	-
Balance at the end of the period	11	17	11

7. Provisions

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Employee benefits			
Balance at the beginning of the period	49	54	54
(Utilised)/arising during the year	84	(5)	57
Effect of foreign currency exchange difference	-	-	-
Reclassification of amount due to previous Managing Director of the company to creditors	-	-	-
Balance at the end of the period	133	49	111
Comprising			
Current	133	49	111
Non-current	-	-	-
	133	49	111

8. Trade and other payables

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Trade and other payables	979	734	1,121
	979	734	1,121

9. Loans and borrowings

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Current			
Convertible notes	-	397	-
Other loans	63	-	63
	63	397	63
Non-current			
Convertible notes	-	525	-
Other loans	1,639	-	1,572
	1,639	525	1,572

No other related party transactions have occurred during the period.

10. Share capital	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
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Allotted, issued and fully paid:

11,055,737,793 ordinary shares of £0.01p each and
4,266,609,563 deferred shares of £0.09p each
(30 June 2018: 4,266,609,563 ordinary shares and
31 December 2018: 9,611,001,360 ordinary shares)

4,971	5,209	4,931
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*Movement in share capital during the period
comprises:*

	Number of Ordinary Shares	Number of Deferred Shares	Share Capital £'000	Share Premium £'000
Issued and fully paid				
As at 1 January 2019 shares	10,908,517,793	4,266,609,563	4,931	24,486
Movement:				
16 Jan 19 Issue of shares	147,220,000	-	40	-
Balances as at 30 June 2019	11,055,737,793	4,266,609,563	4,971	24,486

The ordinary shares have a par value of £0.0001 per share and are fully paid. These shares carry no right to fixed income and have no preferences or restrictions attached to them.

11. Control

No one party is identified as controlling the Company.

12. Subsequent events

On 1 August 2019 the company has received financial support from its major shareholders as convertible loans for US\$300,000. The conversion price into ordinary fully paid shares will be at the "Next Placement Price".

13. Contingent liabilities and capital commitments

There have been no changes to the contingent liabilities capital commitments as disclosed in the most recent annual financial report.

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