Energiser Investments plc
Consolidated unaudited half-yearly financial report for the period ended 30 June 2015

Interim Chairman's Statement

I present my first interim report to the shareholders since my appointment on 26 February 2015, which includes the results for the half year ended 30 June 2015 and the financial position as at that date.

Results

I am pleased to report that the Group has made a profit before and after taxation of £20,000 (2014: loss £120,000) during the six months to 30 June 2015 which is predominantly due to a fair value adjustment to the investment properties in Wellingborough. This translates into a profit per share of 0.04p (2014: loss 0.27p). Our investment of residential properties in Wellingborough generated £53,000 (2014: £48,000) of net rental income. Administrative expenses were £25,000 (2014: £35,000). Interest payable on the Group's borrowings has increased to £173,000 (2014: £141,000) due to the investment in Kingswood Park. The Group's net assets have decreased to £422,000 (2014: £699,000) which equates to 0.96p per share (2014: 1.60p per share). The decrease in net assets is due to a reduction in the fair value of the mezzanine funding provided for Kingswood Park, Surrey, due to a delay in the build programme which, in turn, has delayed the sales programme.

The value of investment properties has increased during the period ended 30 June 2015 to £2,900,000 (2014: £2,666,000) and current assets have increased by £452,000, mainly as a result of additional mezzanine funding provided for the development at Kingswood Park, Surrey and a decrease in the fair value of this arrangement.

The directors do not recommend the payment of a dividend.

Operations

Our residential investment portfolio of 20 properties in Wellingborough is fully let and generated gross rental income of £72,000 and after associated operating costs of £18,000 and overheads of £1,000, resulted in net rental income of £53,000. The properties continue to be let on short term tenancies.

The existing loan with Barclays Bank in relation to the investment properties at Wellingborough has been extend for a period of 3 years

Construction of the 12 unit development at Kingswood Park, Surrey is nearing completion and 4 out of the 12 properties have been reserved with legal completions expected shortly. The current market conditions in the housing market are strong and we expect all the properties to be sold by early 2016.

Outlook

The Group is continuing to rebuild shareholders' funds by way of its current activities and it is expected that this will continue for the foreseeable future.

Stephen Wicks
Chairman
30 September 2015

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Group statement of comprehensive income

	Note	**Unaudited 6 months to 30 June 2015 £’000**	Unaudited 6 months to 30 June 2014 £’000	Audited year to 31 December 2014 £’000
Continuing operations				
Revenue arising in the course of ordinary activities		**72**	70	148
Cost of sales		**140**	(20)	68
Gross profit	5	**212**	50	216
Administrative expenses	5	**(25)**	(35)	(50)
Operating profit		**187**	15	166
Finance costs		**(173)**	(141)	(322)
Finance income		**6**	6	9
Profit/(loss) before taxation		**20**	(120)	(147)
Taxation		**—**	—	—
Profit/(loss) for the period attributable to shareholders of the Company		**20**	(120)	(147)
Other comprehensive income – fair value adjustment to the profit on mezzanine funding arrangement		**(248)**	614	684
Related deferred taxation		**52**	—	(144)
Other comprehensive income for the period, net of tax		**(196)**	614	540
Total comprehensive income		**(176)**	494	393
Earnings/(loss) per share				
Basic and diluted earnings/(loss) per share from total and continuing operations	4	**0.04p**	(0.27)p	(0.34)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group’s average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

Group statement of financial position

	Note	**Unaudited as at 30 June 2015 £'000**	Unaudited as at 30 June 2014 £'000	Audited as at 31 December 2014 £'000
ASSETS				
Non-current assets				
Investment property	6	**2,900**	2,666	2,742
Financial assets at fair value through profit and loss		**1**	1	1
		2,901	2,667	2,743
Current assets				
Trade and other receivables		**16**	16	9
Available-for-sale financial assets		**3,144**	2,501	3,343
Cash and cash equivalents		**5**	196	13
		3,165	2,713	3,365
Total assets		**6,066**	5,380	6,108
LIABILITIES				
Current liabilities				
Trade and other payables		**722**	477	564
Short term borrowings		**4,828**	3,013	4,794
Deferred tax		**92**	—	144
		5,642	3,490	5,502
Non-current liabilities				
Long term borrowings		—	1,180	—
Financial liabilities held at fair value through profit or loss		**2**	11	8
		2	1,191	8
Total liabilities		**5,644**	4,681	5,510
Net assets		**422**	699	598
EQUITY				
Share capital		**2,312**	2,312	2,312
Share premium account		**5,747**	5,747	5,747
Convertible loan		**88**	88	88
Merger reserve		**1,012**	1,012	1,012
Revaluation reserve		**344**	614	540
Retained earnings		**(9,081)**	(9,074)	(9,101)
Total equity		**422**	699	598

Group statement of changes in equity

	Share capital £'000	**Share premium account £'000**	**Convertible loan £'000**	**Merger reserve £'000**	**Revaluation reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 January 2014	**2,312**	**5,747**	**88**	**1,012**	—	**(8,954)**	**205**
Total comprehensive income	—	—	—	—	614	(120)	494
Balance at 30 June 2014	**2,312**	**5,747**	**88**	**1,012**	**614**	**(9,074)**	**699**
Total comprehensive income	—	—	—	—	(74)	(27)	(101)
Balance at 31 December 2014	**2,312**	**5,747**	**88**	**1,012**	**540**	**(9,101)**	**598**
Total comprehensive income	—	—	—	—	(196)	20	(176)
Balance at 30 June 2015	**2,312**	**5,747**	**88**	**1,012**	**344**	**(9,081)**	**422**

Group statement of cash flows

	Unaudited 6 months to 30 June 2015 £'000	Unaudited 6 months to 30 June 2014 £'000	Audited year to 31 December 2014 £'000
Cash flows from operating activities			
(Loss)/profit before and after taxation	**20**	(120)	(147)
Adjustments for:			
Interest expense	**173**	141	322
Fair value adjustment on financial liabilities recognised in profit or loss	**(6)**	(6)	(9)
Fair value adjustment on investment properties	**(158)**	—	(76)
Changes in working capital:			
- (Increase)/decrease in trade and other receivables	**(6)**	—	6
- Increase/(decrease) in trade payables	**9**	14	(60)
Net cash generated by operating activities	**32**	29	36
Cash flows from investing activities			
Mezzanine finance facility issued	**(49)**	(488)	(1,259)
Net cash used in investing activities	**(49)**	(488)	(1,259)
Cash flows from financing activities			
Proceeds from borrowings	**54**	707	1,323
Re-payment of borrowings	**(20)**	(25)	(40)
Interest paid	**(25)**	(37)	(57)
Net cash generated by financing activities	**9**	645	1,226
Net (decrease)/increase in cash and cash equivalents	**(8)**	186	3
Cash and cash equivalents at beginning of period	**13**	10	10
Cash and cash equivalents at end of period	**5**	196	13

1. Nature of operations and general information

The principal activity of the Group is as an investment company investing in quoted and unquoted companies to achieve capital growth. The Group also holds a property development acquired by way of its principal activity. The properties are held for sale with rental income arising from short term lets.

Energiser Investments plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Energiser Investments plc's registered office, which is also its principal place of business, is 417 Finchley Road, London, NW3 6HJ.

Energiser Investments plc's shares are quoted on AIM, a market operated by the London Stock Exchange. The consolidated half-yearly financial report has been approved for issue by the Board of Directors on 30 September 2015.

The financial information set out in this half-yearly financial report does not constitute statutory accounts as defined in Sections 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2014 have been filed with the Registrar of Companies and are available at www.energiserinvestments.co.uk. The auditor's report on those financial statements was unqualified and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Basis of preparation

This consolidated half-yearly financial report has been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The consolidated half-yearly financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those financial statements other than that stated below:

Critical judgements in applying the accounting policies
Key sources of estimation uncertainty
Fair value of profit on mezzanine funding arrangement
The fair value of the mezzanine funding arrangement includes estimates as to the timing and value of future cash flows and the underlying profitability of the development. The estimates are formed based on information provided by the developer. The Group believes that the directors' knowledge and experience in the sector means they are well placed to critically assess this information and to make conclusions as appropriate.

4. Earnings/(loss) per ordinary share

The earnings/(loss) per ordinary share is based on the weighted average number of ordinary shares in issue during the period of 43,787,956 ordinary shares of 0.1p (2014: 43,787,956 ordinary shares of 0.1p) and the following figures:

	Unaudited 6 months to 30 June 2015	Unaudited 6 months to 30 June 2014	Audited year to 31 December 2014
Profit/(loss) attributable to equity shareholders £'000	**20**	(120)	(147)
Earnings/(loss) per ordinary share	**0.04p**	(0.27)p	(0.34)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

5. Income and segmental analysis

	Unaudited 6 months to 30 June 2015	Unaudited 6 months to 30 June 2014	Audited year to 31 December 2014
	£'000	£'000	£'000
Segment result			
Investment activities:			
Administrative expenses	**(24)**	(33)	(47)
	(24)	(33)	(47)
Rental activities:			
Rental income	**54**	50	112
Administrative expenses	**(1)**	(2)	(3)
Release of cost accrual	**—**	—	28
Fair value adjustment on investment property	**158**	—	76
	211	48	213
Operating profit	**187**	15	166
Finance costs	**(173)**	(141)	(322)
Fair value adjustment on interest rate swap	**6**	6	9
Earnings/(loss) before tax	**20**	(120)	(147)

	Unaudited as at 30 June 2015	Unaudited as at 30 June 2014	Audited as at 31 December 2014
	£'000	£'000	£'000
Segment assets			
Investment activities:			
Non-current assets	**1**	1	1
Current assets	**10**	12	1
	11	13	2
Rental:			
Non - current assets – investment property	**2,900**	2,666	2,742
Current assets – other	**11**	5	21
	2,911	2,671	2,763
Mezzanine funding arrangement:			
Current assets	**3,144**	2,696	3,343
	3,144	2,696	3,343
Total assets	**6,066**	5,380	6,108
Segment liabilities			
Investment activities:			
Current liabilities	**722**	959	979
	722	959	979
Rental:			
Current liabilities	**-**	456	1,553
Non-current liabilities	**2**	1,191	8
	2	1,647	1,561
Other:			
Current liabilities – other loan	**4,828**	2,075	2,826
Current liabilities – deferred tax on fair value adjustment	**92**	—	144
	4,920	2,075	2,970
Total liabilities	**5,644**	4,681	5,510
Total assets less total liabilities	**422**	699	598

The activity of both the investments and rentals arose wholly in the United Kingdom. No single customer accounts for more than 10% of revenue.

6. Investment property

	Investment Property £000
Cost or fair value	
At 1 July 2014	**2,666**
Fair value adjustment	76
At 31 December 2014	**2,742**
Fair value adjustment	158
At 30 June 2015	**2,900**