

# **KENNEDY VENTURES PLC**

**Interim statement for the 6 months ended 31 December 2012**

## **Chairman's Statement**

As shareholders will be aware, Kennedy Ventures plc (the "Company") is now an investing company with a brief to make investments or seek a reverse acquisition with a focus mainly on the energy and resources sectors.

During the latter part of last year, we made one such investment, investing \$85,000 by way of loan and equity in Bison Energy Services Limited, a company established to invest principally in the supply of frac sand to the US fracking industry and which has acquired high grade deposits in Wisconsin, USA. We continue to regard this as an exciting investment. We understand that Bison is now close to the next stage of its development though, for regulatory and confidentiality reasons, we are not able to give further detail at this time.

We have continued to seek and review investments and larger transactions since then and have a number currently under review.

Although the Company underwent a restructuring, including a CVA, in May 2012, the cost and time involved in resolving historic issues since then has been rather greater than expected. However, these matters are now close to being finally resolved and the Company has taken steps to reduce its costs since the period end.

We hope to have news of further value enhancing transactions in the near future.

**Peter Redmond**

*Chairman*

27 March 2013

## **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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KENNEDY VENTURES PLC  
 UNAUDITED CONSOLIDATED INCOME STATEMENT  
 for the period ended 31 December 2012

	Note	Six months ended 31 December 2012 £'000	Restated Six months ended 30 September 2011 £'000	15 months ended 30 June 2012 £'000
<b>Continuing operations</b>				
Administrative expenses before items identified below		(102)	-	-
<b>OPERATING (LOSS) BEFORE ITEMS IDENTIFIED BELOW</b>		<b>(102)</b>	<b>-</b>	<b>-</b>
Amortisation of intangible assets		-	-	-
Increase in share based payment reserve		-	-	-
<b>OPERATING LOSS</b>		<b>(102)</b>	<b>-</b>	<b>-</b>
Financial income			-	-
<b>LOSS BEFORE TAX</b>		<b>(102)</b>	<b>-</b>	<b>-</b>
Income tax	3	-	-	-
<b>LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(102)</b>	<b>-</b>	<b>-</b>
<b>Discontinued operations</b>				
(Loss) / profit for the period from discontinued operations		27	(1,378)	(9,628)
<b>Continuing and discontinued operations</b>				
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b>(75)</b>	<b>(1,378)</b>	<b>(9,628)</b>
<b>Basic (loss) / earnings per ordinary share</b>				
Continuing operations	4	(0.38)p	- p	- p
Discontinued operations	4	0.10p	(66)p	(233)p
<b>Diluted (loss) / earnings per ordinary share</b>				
Continuing operations	4	(0.37)p	- p	- p
Discontinued operations		0.10p	(66)p	(233)p

**KENNEDY VENTURES PLC****UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 31 December 2012

	Six months ended 31 December 2012 £'000	Six months ended 30 September 2011 £'000	15 months ended 30 June 2012 £'000
At beginning of period	137	9,342	9,342
Loss for the financial period	(75)	(1,378)	(9,628)
Issue of share capital	-	-	250
Increase in share premium account	-	-	250
Share issue costs	-	-	(52)
Reduction in minority shareholding during period	-	-	(25)
Increase in share based payments reserve	-	86	-
<b>AT END OF PERIOD</b>	<u>62</u>	<u>8,050</u>	<u>137</u>

Equity comprises share capital, share premium, merger reserve, share based payments reserve, special reserve and retained profit.

**KENNEDY VENTURES PLC**  
**UNAUDITED BALANCE SHEET**  
**as at 31 December 2012**

	Note	31 December 2012 £'000	30 September 2011 £'000	30 June 2012 £'000
<b>NON CURRENT ASSETS</b>				
Investments		55	475	-
<b>CURRENT ASSETS</b>				
Trade and other receivables		32	270	34
Amounts due from subsidiary undertakings		-	13,945	-
Cash and cash equivalents		134	-	414
		166	14,215	448
<b>TOTAL ASSETS</b>		<b>221</b>	<b>14,690</b>	<b>448</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(85)	(1,564)	(210)
Short term borrowings		-	(96)	-
		(85)	(1,660)	(210)
<b>NET CURRENT ASSETS</b>		<b>81</b>	<b>13,030</b>	<b>238</b>
<b>NON CURRENT LIABILITIES</b>				
Convertible loans	5	-	(500)	-
<b>TOTAL LIABILITIES</b>		<b>(85)</b>	<b>(2,160)</b>	<b>(210)</b>
<b>NET ASSETS</b>		<b>136</b>	<b>12,530</b>	<b>238</b>
<b>EQUITY</b>				
Share capital	9	271	2,098	271
Share premium account	9	7,571	7,373	7,571
Capital redemption reserve		2,077	-	2,077
Share based payments reserve		1,456	1,456	1,456
Retained earnings		(11,239)	1,603	(11,137)
<b>TOTAL EQUITY</b>		<b>136</b>	<b>12,530</b>	<b>238</b>

**KENNEDY VENTURES PLC**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**  
as at 31 December 2012

	Note	31 December 2012 £'000	30 September 2011 £'000	30 June 2012 £'000
<b>NON CURRENT ASSETS</b>				
Investments		55		-
<b>CURRENT ASSETS</b>				
Trade and other receivables		32	158	34
Cash and cash equivalents		145	-	425
Assets held for sale			14,190	-
		<u>177</u>	<u>14,348</u>	<u>459</u>
<b>TOTAL ASSETS</b>		<u>232</u>	<u>14,348</u>	<u>459</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(170)	(313)	(322)
Short term borrowings	5	-	(1,224)	-
Deferred consideration		-	(275)	-
Liabilities held for sale		-	(3,986)	-
		<u>(170)</u>	<u>(5,798)</u>	<u>(322)</u>
<b>NET CURRENT ASSETS</b>		<u>7</u>	<u>8,550</u>	<u>137</u>
<b>NON CURRENT LIABILITIES</b>				
Trade and other payables	6	-	(500)	-
<b>TOTAL LIABILITIES</b>		<u>(170)</u>	<u>(6,298)</u>	<u>(322)</u>
<b>NET ASSETS</b>		<u>62</u>	<u>8,050</u>	<u>137</u>
<b>EQUITY</b>				
Share capital	9	271	2,098	271
Share premium account	9	7,571	7,373	7,571
Capital redemption reserve		2,077		2,077
Share based payments reserve		1,456	1,542	1,456
Retained earnings		(11,313)	(2,963)	(11,238)
<b>TOTAL EQUITY</b>		<u>62</u>	<u>8,050</u>	<u>137</u>

**KENNEDY VENTURES PLC**  
**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
for the period ended 31 December 2012

		Six months ended	Six months ended	15 months ended
	Note	31 December 2012 £'000	30 September 2011 £'000	30 June 2012 £'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net cash used in operating activities of continuing operations	7	(225)	-	-
Net cash used in operating activities of discontinued operations	7	-	(1,775)	(3,179)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<u>(225)</u>	<u>(1,775)</u>	<u>(3,179)</u>
<b>INVESTING ACTIVITIES</b>				
Investment made		(55)		-
Net cash from / (used in) investing activities by continuing operations		(55)	-	-
Net cash from / (used in) investing activities by discontinued operations		-	2,949	5,935
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>		<u>(55)</u>	<u>2,949</u>	<u>5,935</u>
<b>FINANCING ACTIVITIES</b>				
Net proceeds of share issue		-	-	448
Repayment of convertible loan notes		-	-	(500)
(Decrease)/increase in short term borrowings		-	1,656	(3,017)
Repayment of obligations under finance leases		-	28	(77)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>(1,674)</u>	<u>(3,146)</u>
<b>NET DECREASE IN CASH</b>		(280)	(500)	(390)
<b>CASH AT THE BEGINNING OF PERIOD</b>		425	404	815
<b>CASH AT THE END OF THE PERIOD</b>		<u>145</u>	<u>(96)</u>	<u>425</u>

## KENNEDY VENTURES PLC

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

for the period ended 31 December 2012

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#### 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

These interim consolidated financial statements are for the six months ended 31 December 2012. The interim financial report, which has not been audited or reviewed, has been prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union.

The information for the period ended 30 June 2012 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report contained the following words:

"Basis of qualified opinion

With respect to the result on disposal of discontinued operations relating to the MSS Building Services and Compliance divisions and the associated consolidated results to the date of disposal as described in the basis of preparation and note 9 to the financial statements, the audit evidence available to us was limited because we were unable to access the accounting records of those divisions up to the date of disposal. Owing to the nature of those divisions' records, we were unable to obtain sufficient appropriate audit evidence regarding the disclosure of consolidated results up to the date of disposal and associated profits on disposal by using other audit procedures.

Opinion on financial statements

In our opinion except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2012 and of the group's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – basis other than going concern

In forming our opinion on the financial statements, which is not qualified in this respect, we have considered the adequacy of the disclosure made on the basis of preparation in Note 2 concerning the preparation of the financial statements on a basis other than going concern."

but was otherwise unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements, except as described below.

#### Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 2 BUSINESS, GEOGRAPHICAL AND SEGMENTAL REPORTING

The Group's operations were only in the United Kingdom. Following the disposal of the Group's Compliance division, the cessation of operations at its Interior Contractors division, the sale of the Building Services division and the complete change in directors at the time of the CVA's approval, the results reported in the Consolidated Income Statement relate solely to Head Office costs from the time of approval of the CVA. The Building Services segment, Interior Contracts segment and the Compliance segment are now reported under Discontinued operations.

#### 3 TAX

Corporation tax charge for the six month period has been estimated at £nil (six months ended 30 September 2011: £nil). No deferred tax asset has been recognised in relation to the losses in the period.

**KENNEDY VENTURES PLC**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
For the period ended 31 December 2012

**4 EARNINGS PER ORDINARY SHARE**

The calculation of basic and diluted loss per share is based on the following data:

	Six months ended 31 December 2012 £'000	Six months ended 30 September 2011 £'000	15 months ended 30 June 2012 £'000
<b>Continuing operations</b>			
Loss for the financial period	<u>(102)</u>	<u>-</u>	<u>-</u>
<b>Number of shares</b>			
Weighted average number of ordinary shares for the purposes of basic earnings per share	27,098,000	2,098,022	5,431,355
Potentially dilutive ordinary shares	<u>420,645</u>	<u>-</u>	<u>-</u>
Weighted average number of shares for the purposes of diluted earnings per share	<u>27,518,645</u>	<u>2,098,022</u>	<u>5,431,355</u>
<b>Basic (loss) / profit per ordinary share (pence)</b>			
Continuing operations	(0.38)	-	-
Discontinued operations	0.10	(66)	(233)
<b>Diluted (loss) / profit per ordinary share (pence)</b>			
Continuing operations	(0.37)	-	-
Discontinued operations	0.10	(66)	(233)

**5 BORROWINGS**

	Six months ended 31 December 2012 £'000	Six months ended 30 September 2011 £'000	15 months ended 30 June 2012 £'000
Bank loans due for settlement within one year	<u>-</u>	<u>1,224</u>	<u>-</u>

**6 CONVERTIBLE SECURED LOAN NOTES**

Convertible Loan Notes were issued on 31 March 2011 and were redeemed prior to 30 June 2012

**KENNEDY VENTURES PLC**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
For the period ended 31 December 2012

**7 NOTES TO THE CASH FLOW STATEMENT**

	Six months ended 31 December 2012 £'000	Six months ended 30 September 2011 £'000	15 months ended 30 June 2012 £'000
<b>Operating loss from continuing activities</b>	(102)	-	-
<b>Operating cash flows before movement in working capital</b>	(102)		-
Decrease / (increase) in receivables	2		-
(Decrease) / increase in payables	(125)		-
Decrease in provisions	-	-	-
<b>Cash utilised by operations</b>	(225)	-	-
Net cash used in operating activities of continuing operations	(225)	-	-
Net cash used in operating activities of discontinued operations	-	(1,775)	(3,179)
<b>Net cash flow from operating activities</b>	<u>(225)</u>	<u>(1,775)</u>	<u>(3,179)</u>

**8 DIVIDEND**

No dividend is proposed in respect of the period to 31 December 2012 (2011: £nil).

**9 SHARE CAPITAL**

	31 December 2012 £'000	30 September 2011 £'000	30 June 2012 £'000
<b>Issued and fully paid</b>			
27,098,000 ordinary shares of 1p each (30 June 2012: 2,709,802,191 ordinary shares of 0.01p each: 2011: 209,802,191 ordinary shares of 1p each)	<u>271</u>	<u>2,098</u>	<u>2,098</u>

Note

Following the change in the Company's Articles of Association approved by members in May 2012, the Company no longer has an authorised share capital

**10 RELATED PARTY TRANSACTIONS**

Apart from the remuneration of the Directors, who are key management personnel of the Group, there have been no other material transactions with the Board.