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Kennedy Ventures PLC
31 March 2015

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Kennedy Ventures plc

Interim results for the six months ended 31 December 2014

Kennedy Ventures plc ("Kennedy Ventures" or "the Company") is pleased to announce its interim results for the six months ended 31 December 2014.

Highlights

- A successful acquisition of Namibian tantalite mine (the "Mine") with completion successfully occurring post balance sheet date.
- The Mine complies with the US conflict mineral regulations.
- Demand for tantalum has been driven by the increased use of electronic devices.
- Mine expected to move into production on schedule and within four months.
- Further tantalite asset acquisitions will be sought post commencement of production at the Mine.

Giles Clarke, Chairman of Kennedy Ventures said:

"The successful 75% acquisition of African Tantalum (Pty) Limited ("Aftan") is the first step in building Kennedy Ventures into a producer of high grade tantalum. I am very excited by the dynamics of the tantalum market, particularly for producers which comply with the US conflict mineral regulations. The demand for tantalum is set to grow with the demand for electronic devices we so rely on today."

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Chairman's statement

Kennedy Ventures, through its acquisition of Aftan, has taken a step closer to becoming a material producer of tantalum. Under the terms of the transaction the Company has acquired 75% of Aftan for a total consideration of R12m (£0.66m), R4m (£0.22m) of which were satisfied through the issuance of 4,523,113 Ordinary Shares in Kennedy Ventures at a price of 4.9p per share and the remainder through a loan of R8m (£0.44m).

The demand for tantalum is driven by the electronics and technology industries, where tantalum capacitors are used in nearly all electronic equipment and mobile devices. Furthermore tantalum is used to produce super alloys that can be used to manufacture high temperature cutting tools. Significantly, our mine is certified, allowing us to supply companies around the world which are required to comply with the US Securities and Exchange Commission regulations. These regulations should increase the demand for our product and we therefore believe that once the mine is in production we will be able to generate significant cash-flow.

Following the successful completion of the acquisition in January 2015, we aim to have the mine in production in the next four months. As we are working towards bringing a formerly operating facility back into production; we expect capex requirements to be low.

Once the mine is in production and Kennedy Ventures is generating cash flow, we plan to acquire further tantalite mines which are compliant with the US conflict mineral regulations.

Financials

The Company recorded a loss before tax of £57,000 and had cash balances of £350,000 at the end of the period. Kennedy Ventures continues to operate on a low-cost basis and incurred administrative expenses of £57,000 during the period. The Company does not plan to pay a dividend for the six months to 31 December 2014.

Directors

During the period Mr. Christopher Yates resigned as a Non-Executive Director of the Company. I would like to thank Christopher for his contribution to the Company and we wish him well for the future.

Now the initial mine has been secured, Kennedy Ventures intends, in the near future to appoint a new CEO to the Board to drive forward the operations and strategy. A further announcement will be made once this is finalised.

Outlook

When production commences Kennedy Ventures will be a producer of what is a highly valuable commodity in a stable market. We are confident that the investment we have made in Namibia will be the start of a strong period of growth for the Company and we look forward to updating shareholders as to future developments.

Giles Clarke

Chairman

KENNEDY VENTURES PLC
UNAUDITED INCOME STATEMENT
for the period ended 31 December 2014

	Note	Six months ended 31 December 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
Continuing Operations				
Loss on disposal of investments		-	-	
Impairment of available for sale investments				(55)
Administrative expenses		(57)	(60)	(131)
OPERATING LOSS		(57)	(60)	(186)
Financial income		-	-	-
LOSS BEFORE TAX		(57)	(60)	(186)
Income tax	3	-	-	-
LOSS FOR THE FINANCIAL PERIOD		(57)	(60)	(186)

Basic loss per ordinary share	4	<u>(0.08)p</u>	<u>(0.22)p</u>	<u>(0.50)p</u>
Diluted loss per ordinary share	4	<u>(0.08)p</u>	<u>(0.22)p</u>	<u>(0.50)p</u>

KENNEDY VENTURES PLC

UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2014

	Six months ended 31 December 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
At beginning of period	478	99	99
Loss for the financial period	(57)	(60)	(186)
Issue of share capital			550
Share issue costs			(8)
Share based payment expenses			23
AT END OF PERIOD	<u>421</u>	<u>39</u>	<u>478</u>

Equity comprises share capital, share premium, capital redemption reserve and retained profit.

KENNEDY VENTURES PLC
UNAUDITED BALANCE SHEET
as at 31 December 2014

	Note	31 December 2014 £'000	31 December 2013 £'000	30 June 2014 £'000
NON CURRENT ASSETS				
Available for sale Investments		-	55	22
CURRENT ASSETS				
Trade and other receivables		11	9	10
Deposits paid in respect of investments		111	-	-
Cash and cash equivalents		350	203	531
		<u>472</u>	<u>212</u>	<u>541</u>
TOTAL ASSETS		<u>472</u>	<u>267</u>	<u>563</u>
CURRENT LIABILITIES				
Trade and other payables		(51)	(78)	(85)
		<u>(51)</u>	<u>(78)</u>	<u>(85)</u>
NON CURRENT LIABILITIES				
Secured loan notes	5		(150)	(0)

TOTAL LIABILITIES		<u>(51)</u>	<u>(228)</u>	<u>(85)</u>
NET ASSETS		<u>421</u>	<u>39</u>	<u>478</u>
EQUITY				
Share capital	8	711	271	711
Share premium account		7,673	7,571	7,673
Capital redemption reserve		2,077	2,077	2,077
Retained earnings		(10,040)	(9,880)	(9,983)
TOTAL EQUITY		<u>421</u>	<u>39</u>	<u>478</u>

KENNEDY VENTURES PLC
UNAUDITED CASH FLOW STATEMENT
for the period ended 31 December 2014

	Note	Six months ended 31 December 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
CASH FLOW FROM OPERATING ACTIVITIES				
Net cash used in operating activities	6	(181)	(25)	(67)
NET CASH USED IN OPERATING ACTIVITIES		(181)	(25)	(67)
INVESTING ACTIVITIES				
Purchase of available for sale investments		-	-	-
Proceeds from disposal of available for sale investments		-	22	-
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		-	22	-
FINANCING ACTIVITIES				
Net proceeds from loan note issue		-	-	-
Repayment of loan notes		-	-	(150)
Net proceeds of share issue		-	-	542
NET CASH FROM FINANCING ACTIVITIES		-	-	392

NET DECREASE IN CASH	(181)	(3)	325
CASH AT THE BEGINNING OF PERIOD	531	206	206
CASH AT THE END OF THE PERIOD	<u>350</u>	<u>203</u>	<u>531</u>

KENNEDY VENTURES PLC
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
for the period ended 31 December 2014

1 GENERAL INFORMATION AND ACCOUNTING POLICIES

These interim consolidated financial statements are for the six months ended 31 December 2014. 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 2014 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 was unqualified.

The annual financial statements are prepared in accordance with applicable 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.

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 and relate solely to the Company's operations as an investing company seeking investments in businesses including those with the potential to be provided with management services by the Company.

3 TAX

Corporation tax charge for the six month period has been estimated at £nil (six months ended 31 December 2013 and year ended 30 June 2014: £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 2014

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 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
Loss for the financial period	<u>(57)</u>	<u>(60)</u>	<u>(186)</u>
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>71,098,000</u>	<u>27,098,000</u>	<u>38,791,151</u>
Basic (loss) per ordinary share (pence)	<u>(0.08)</u>	<u>(0.22)</u>	<u>(0.50)</u>

The Company has warrants and options as disclosed under Note 8 which may be dilutive in future periods. The effect in respect of the current period would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

5 BORROWINGS

	Six months ended 31 December 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
Secured loan notes	<u><u>-</u></u>	<u><u>150</u></u>	<u><u>-</u></u>

On 10th May 2013 the Company issued £150,000 secured loan notes repayable on 31 October 2014, on which there is a facility fee at the rate of £2,000 per quarter, payable on redemption.

KENNEDY VENTURES PLC
 NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
 For the period ended 31 December 2014

6 NOTES TO THE CASH FLOW STATEMENT

	Six months ended 31 December 2014 £'000	Six months ended 31 December 2013 £'000	Year ended 30 June 2014 £'000
Operating loss	(57)	(60)	(186)
Fair value movements in investments	22		55
Share based payment expense			23
Operating cash flows before movement in working capital	(35)	(60)	(108)
Increase in receivables	(112)	16	15
(Decrease) / increase in payables	(34)	19	26
Net cash flow from operating activities	<u>(181)</u>	<u>(25)</u>	<u>(67)</u>

7 DIVIDEND

No dividend is proposed in respect of the period to 31 December 2014 (period to 31 December 2013 and year to 31 December 2013: £nil).

8 SHARE CAPITAL

	31 December 2014 £'000	30 December 2013 £'000	30 June 2014 £'000
Issued and fully paid			
27,098,000 ordinary shares of 1p each (31 December 2013) 71,098,000 ordinary shares of 1p each (30 June 2014 & 31 December 2014)	<u>711</u>	<u>271</u>	<u>711</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.

Warrants

On 25 May 2012 and in association with the CVA and Placing, the Company granted a warrant to subscribe shares representing 3% of the Company's issued ordinary share capital from time to time exercisable at 2 pence per share at any time up to 20 March 2015. Subsequently, it has been agreed with the holders that the warrant will be in respect of a fixed number of shares, being 1,142,940 ordinary shares.

Options

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 3,199,410 of such options.

This information is provided by RNS
The company news service from the London Stock Exchange