



IPSA GROUP PLC

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS PERIOD ENDED
30 SEPTEMBER 2015

Stock Code: IPSA

CHAIRMAN'S STATEMENT

These are the last interims for IPSA Group PLC ("IPSA") which include the operations of Newcastle Cogeneration (Pty) Limited ("NewCogen") which were sold in February 2016.

As outlined in the Audited Results for the year ended March 31st 2015 announced last week, the Company is now focusing its attentions on the sale of the balance of plant equipment held for sale in Italy and in finding a suitable reverse merger partner to maintain the quotations in London and Johannesburg. This focus is critical to ensure that the Company meets its commitment to pay outstanding sums to its principal creditor Ethos Energy Italia S.p.A ("Ethos") which is expected to be met in part through receipt of the remaining funds due from Rurelec PLC and in part from the sale of the balance of plant

Whilst these negotiations are ongoing, there can be no guarantee of success. The Company remains dependent not only on receipts due from Rurelec PLC and the sale of the balance of plant but also on the continuing forbearance of Ethos and its other creditors to continue trading and as a consequence there remains a risk that the Company may be put into administration.

The Suspension in trading in the Company's shares will remain in place pending a further announcement.

As mentioned in the strategic report to shareholders in the Annual Report and Accounts, Neil Bryson and I are not standing for re-election at the Annual General Meeting on 7th April and the overhead costs for the Company have been reduced to a minimum to enable the Company as a quoted cash shell to achieve a suitable strategic partnership. The AIM Rules allow a period of six months following the disposal of the NewCogen assets on 29th February 2016 for this to occur.

On behalf of the board, I hope that the Company will succeed in this endeavour that will allow the value of our dual listings to endure for the benefit of shareholders.

Richard Linnell
Chairman

IPSA GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the 6 month period ended 30 September 2015

	Notes	6 months 30/9/15 unaudited £'000	6 months 30/9/14 unaudited £'000	12 months 31/3/15 audited £'000
Revenue		1,748	1,888	3,649
Cost of sales		(1,712)	(1,930)	(3,804)
Gross profit/(loss)		36	(42)	(155)
Administrative expenses		(629)	(690)	(1,482)
Operating loss		(593)	(732)	(1,637)
Other (expense)/income	3	(67)	17	(78)
Impairment on NewCogen Investment reduction/(increase)		438	-	(5,144)
Net Finance expense		(24)	(32)	(74)
Loss before tax		(246)	(747)	(6,933)
Tax expense		-	-	-
Loss after tax		(246)	(747)	(6,933)
Other comprehensive income:				
Exchange differences on translation of foreign operation		-	(348)	(118)
Total comprehensive loss attributable to equity Shareholders		(246)	(1,095)	(7,051)
Loss per ordinary share (basic and headline)	4	(0.23p)	(0.69p)	(6.45p)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)
at 30 September 2015

	Notes	30/9/15 unaudited £'000	30/9/14 unaudited £'000	31/3/15 audited £'000
Assets				
Non-current assets				
Property, plant and equipment		1,916	7,154	1,916
Current assets				
Trade and other receivables		3,732	3,556	3,421
Cash and cash equivalents		37	64	3
		3,769	3,620	3,424
Non-current assets classified as assets held for sale	5	4,000	4,000	4,000
Total assets		9,685	14,774	9,341
Equity and liabilities				
Equity attributable to equity holders of the parent:				
Share capital		2,150	2,150	2,150
Share premium account		26,767	26,767	26,767
Foreign currency reserve		(5,843)	(6,072)	(5,843)
Profit and loss reserve		(22,077)	(15,644)	(21,831)
Total equity		997	7,201	1,243
Current liabilities				
Trade and other payables	6	7,487	6,648	7,152
Borrowings		1,202	925	946
		8,688	7,573	8,098
Total equity and liabilities		9,685	14,774	9,341

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)
for the 6 month period ended 30 September 2015

	6 months 30/9/15 unaudited £'000	6 months 30/9/14 unaudited £'000	12 months 31/3/15 audited £'000
Loss for the period	(246)	(746)	(6,933)
Add back: net finance expense	24	32	73
Adjustments for:			
Depreciation and impairment	257	284	4,472
Group IAS 10 Write Down re: Post	(257)	-	1,311
Unrealised exchange losses	-	(272)	(30)
Change in trade and other receivables	(311)	20	153
Change in trade and other payables	334	47	311
Cash used in operations	(198)	(635)	(642)
Interest paid	(6)	(5)	(13)
Net cash used in operations	(204)	(640)	(655)
Cash flows from Investing Activities			
Purchase of plant and Equipment	-	-	(99)
	-	-	(99)
Cash flow from Financing Activities			
Loans received	586	694	729
Loans repaid	(348)	(51)	(33)
	238	643	696
Increase / (decrease) in cash and cash equivalents	34	3	(58)
Cash and cash equivalents at start of period	3	61	61
Cash and cash equivalents at end of period	37	64	3

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
for the 6 month period ended 30 September 2015

	Share Capital £'000	Share Premium Account £'000	Foreign Currency Reserve £'000	Profit and Loss Reserve £'000	Total Equity £'000
At 01.04.14	2,150	26,767	(5,725)	(14,898)	8,294
Loss for the period	-	-	-	(746)	(746)
Exchange differences	-	-	(348)	-	(348)
Total recognised expense for the period	-	-	(348)	(746)	(348)
At 30.09.14	2,150	26,767	(6,073)	(15,644)	7,200
Loss for the period	-	-	-	(6,187)	(6,187)
Exchange differences	-	-	230	-	230
Total recognised expense for the period	-	-	230	(6,187)	(5,957)
At 01.04.15	2,150	26,767	(5,843)	(21,831)	1,243
Loss for the period	-	-	-	(246)	(246)
Exchange differences	-	-	-	-	-
Total recognised expense for the period	-	-	-	(246)	(246)
At 30.09.14	2,150	26,767	(5,843)	(22,077)	997

Notes to the unaudited Interim Statement for the 6 month period ended 30 September 2014

1. Basis of preparation

These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 March 2014 were derived from the statutory accounts for that period which have been delivered to the Registrar of Companies. Those accounts, which contained a qualified audit report, did not contain any statements under Sections 489(2) or (3) of the Companies Act 2006. The financial information contained in this interim statement has been prepared in accordance with all relevant International Financial Reporting Standards ("IFRS") as adopted by the European Union in force and expected to apply to the Group's results for the year ending 31 March 2015 and on interpretations of those Standards released to date.

2. Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the Group's IFRS accounting policies. These policies are set out in the Group's financial statements for the year ended 31 March 2015.

3. Other (expense)/income	6 months 30/9/15 £'000	6 months 30/9/14 £'000	12 months 31/3/15 £'000
Exchange gains ¹	69	225	288
Storage and insurance costs ²	(136)	(208)	(366)
Total	(67)	17	(78)

¹ Exchange gains/(losses) arising on the € denominated unpaid balance owing to EthosEnergy Italia SpA ("EthosEnergy") in respect of the refurbishment costs of the Turbines;

² Storage and insurance costs in respect of the Turbines and balance of plant;

4. Loss per share	6 months 30/9/15	6 months 30/9/14	12 months 31/3/15
Average number of shares in issue during the period	107.5m	107.5m	107.5m
Loss for the period	£0.246m	£0.746m	£9.933m
Loss per ordinary share - basic and headline	0.23p	0.69p	6.45p
Loss per ordinary share - diluted	0.23p	0.69p	6.45p

5. Assets held for sale

This comprises directors' valuation of the balance of plant which was not sold to Rurelec PLC and is currently available for sale.

6. Trade and other payables

Trade and other payables include:

- a) An amount of £4.4 million claimed by EthosEnergy in respect of the balance due for refurbishment work completed in 2008, plus storage charges and interest.
- b) An accrual of £1.9 million in respect of remuneration due to the directors and which is subject to a waiver agreed in February 2016. There will be a credit of £0.7million in the next set of accounts.

7. Post balance sheet events

Since the balance sheet date, the disposal of Blazeway Engineering Limited ("Blazeway") was announced on 28th January 2016 for a total consideration of £1.9m. The sale includes 100% of the share capital of NewCogen, loss making owner of the Group's only operational asset. Under IFRS accounting standards the directors consider this an adjusting event relating to IAS 10 - Events After the Reporting Period, as the Group no longer expects to receive the future cash flows of the disposed entities. It is therefore appropriate that entity and consolidation adjustments are made to the carrying value of Blazeway to reflect the sale proceeds. The directors recognise that following this fundamental disposal, IPSA will become a cash shell and under AIM rule 15 will be deemed to be an investing company.

The Board of Directors approved this interim statement on 24 March 2016. This interim statement has not been audited.

Copies of this announcement are being sent to all shareholders on the register at today's date. Copies may be obtained from 17th Floor, Millbank Tower, 21-24 Millbank, London SW1P 4QP.

About IPSA:

IPSA Group PLC ("IPSA") is a British company established to develop power generation projects in Southern Africa. It is managed by a team with a strong track record in developing power projects worldwide and with considerable experience in Southern Africa.

IPSA floated on the AIM market of the London Stock Exchange in September 2005 and obtained a dual listing on the Alt^x market of the Johannesburg Stock Exchange in October 2006.