



IPSA GROUP PLC

UNAUDITED INTERIM RESULTS
FOR THE TWELVE MONTHS PERIOD ENDED
31 MARCH 2016

Stock Code: IPSA

CHAIRMAN'S STATEMENT

Following the extension of the Company's year-end, I am presenting to the shareholders of IPSA Group PLC (the "Group") a second unaudited interim statement covering the 12 month period to 31 March 2016.

As a result of the disposal of the Group's only operating company Newcastle Cogeneration Pty Limited ("Newcogen") on 29 February 2016, Newcogen's accounts have been included to that date. Since the effects of the disposal were already accounted for in the September Interims, the change in net assets relates to the release of certain provisions held in the Group's books pending completion. These provisions relate to directors' salaries, excess impairment provisions and foreign currency translation reserves that are no longer pertinent to the Company following the disposal of Newcogen.

The Company's financial position remains difficult and uncertain. The Company is reliant upon the forbearance of its creditors and notably EthosEnergy Italia SpA ('Ethos'), whilst it seeks to realise proceeds from the sale of assets held for resale, being ancillary plant held by the Company together with the receipt of funds due from Rurelec PLC in relation to deferred consideration.

The focus of the Company is to realise sufficient funds from these assets to repay all the Company's remaining creditors. However, there can be no guarantee that the Company will be successful in any sale or that the proceeds from the realisation of these assets will be sufficient to repay the creditors and the risk remains that the Company may need to be placed into administration, and consequently the shares will remain suspended.

Following the disposal of the Company's operating business on 29 February 2016, the Company is now an AIM Rule 15 cash shell and is seeking to conduct a reverse takeover. For the Company's shares to resume trading following the clarification of its financial position this would need to happen by 15 September 2016 for the Company to retain its AIM quotation. Furthermore it would need, under the terms of AIM Rule 15, to conclude a reverse takeover by 29 August 2016 to avoid its shares being suspended at that point if its shares had resumed trading prior to this date.

The board of IPSA has continued to focus on the disposal of the balance of plant, the proceeds of which, together with the receipt of the balance of funds due from Rurelec PLC, will be applied first to settle with our largest creditor, EthosEnergy, and our other creditors, who have all continued to show forbearance while we pursue these objectives. We are heavily reliant on the patience of our creditors to continue trading and as a consequence there remains a risk that the Company could be placed into administration if their patience runs out before these objectives can be achieved.

The Company's strategy, which was put in place under the outgoing chairman, continues to be to address the financial uncertainty of the Company as outlined above and to seek out a reverse merger partner prior to 29 August 2016 in accordance with AIM Rule 15.

On behalf of the shareholders I would like to thank the outgoing Chairman, Richard Linnell, and retiring directors Neil Bryson and Mark Otto for their stewardship of the Company over what have proved to be very testing times.

The new board will continue to work vigorously in pursuit of merger opportunities with a view to settling outstanding creditors and providing shareholders with value through a reverse merger that would allow the dual listings to be maintained in the permitted timetable. Although no prospective candidate has been identified, I hope to be in a position to provide shareholders with further information in due course.

I would like to thank creditors, shareholders and the outgoing directors for their support over the period under review.

Susan Laker
Chairman

IPSA GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
for the 12 month period ended 31 March 2016

	Notes	12 months 31/3/16 unaudited £'000	6 months 30/9/15 unaudited £'000	12 months 31/3/15 audited £'000
Revenue		2,517	1,748	3,649
Cost of Sales		(3,077)	(1,712)	(3,804)
Gross Profit/(Loss)		(560)	36	(155)
Administrative Expenses		(1,012)	(629)	(1,482)
Operating Loss		(1,572)	(593)	(1,637)
Other Expense	3	(203)	(67)	(78)
Impairment on NewCogen Investment Reduction/(Increase)		1,241	438	(5,144)
Net Finance Expense		(24)	(24)	(74)
Loss Before Tax		(558)	(246)	(6,933)
Tax Expense		-	-	-
Loss After Tax		(558)	(246)	(6,933)
Other Comprehensive Income:				
Exchange Differences on Translation of Foreign Operation		(5,683)	-	(118)
Total Comprehensive Loss Attributable to Equity Shareholders		(6,241)	(246)	(7,051)
Loss per ordinary share (basic and headline)	4	(0.19p)	(0.23p)	(6.45p)

IPSA GROUP PLC
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)
at 31 March 2016**

	Notes	31/3/16 unaudited £'000	30/9/15 unaudited £'000	31/3/15 audited £'000
Assets				
Non-current Assets				
Property, Plant and Equipment		-	1,916	1,916
Current Assets				
Trade and Other Receivables		1,916	3,732	3,421
Cash and Cash Equivalents		2	37	3
		1,918	3,769	3,424
Non-current Assets Classified as Assets Held for Sale	5	4,000	4,000	4,000
Total Assets		5,918	9,685	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)	(5,843)
Profit and Loss Reserve		(28,072)	(22,077)	(21,831)
Total Equity		845	997	1,243
Current Liabilities				
Trade and Other Payables	6	4,653	7,487	7,152
Borrowings		420	1,202	946
		5,073	8,688	8,098
Total Equity and Liabilities		5,918	9,685	9,341

IPSA GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)
for the 12 month period ended 31 March 2016

	12 months 31/3/16 unaudited £'000	6 months 30/9/15 unaudited £'000	12 months 31/3/15 audited £'000
Loss for the Period	(558)	(246)	(6,933)
Add back: Net Finance Expense	24	24	73
Adjustments for:			
Depreciation and Impairment	257	257	4,472
Group IAS 10 Write Down re: Post	(257)	(257)	1,311
Unrealised Exchange Losses	-	-	(30)
Change in trade and Other Receivables	91	(311)	153
Change in trade and Other Payables	(673)	334	311
Cash used in operations	(1,116)	(198)	(642)
Interest paid	(62)	(6)	(13)
Net cash used in operations	(1,178)	(204)	(655)
Cash flows from Investing Activities			
Sale/(Purchase) of Plant and Equipment	1,916	-	(99)
	1,916	-	(99)
Cash flow from Financing Activities			
Loans Received	759	586	729
Loans Repaid	(1,532)	(348)	(33)
	(773)	238	696
(Decrease) /Increase in Cash and Cash Equivalents	(35)	34	(58)
Cash and Cash Equivalents at start of period	37	3	61
Cash and cash equivalents at end of period	2	37	3

IPSA GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
for the 12 month period ended 31 March 2016

	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	-	-	160	(558)	(398)
Exchange Differences	-	-	5,683	(5,683)	-
Total Recognised Expense for the Period	-	-	5,843	(6,241)	(398)
At 31.03.16	2,150	26,767	-	(28,072)	845

Notes to the unaudited Interim Statement for the 12 month period ended 31 March 2016

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 2015 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

	12 months 31/3/16 £'000	6 months 30/9/15 £'000	12 months 31/3/15 £'000
Exchange Gains ¹	69	69	288
Storage and Insurance Costs ²	(272)	(136)	(366)
Total	(203)	(67)	(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

	12 months 31/3/16	6 months 30/9/15	12 months 31/3/15
Average number of shares in issue during the period	107.5m	107.5m	107.5m
Loss for the Period	£0.558m	£0.246m	£6.933m
Loss per ordinary share - basic and headline	0.19p	0.23p	6.45p
Loss per ordinary share - diluted	0.19p	0.23p	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 £3.7 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 £0.2 million in respect of remuneration due to the directors and which is subject to a waiver agreed in February 2016.

7. Disposal of Blazeway

The disposal of Blazeway Engineering Limited (“Blazeway”) was announced on 28 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 30 June 2016. This interim statement has not been audited.

Copies may be obtained from 17th Floor, Millbank Tower, 21-24 Millbank, London SW1P 4QP or from the IPSA website www.ipsagroup.co.uk

About IPSA:

IPSA Group PLC 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.

Date: 30 June 2016