**Ensor Holdings PLC**

**("Ensor", the "Group" or the "Company")**

**Interim results for the six months to 30 September 2014**

**Chairman's Statement**

- **Sales up 11%**
- **Operating profit up 98%**
- **Dividend up 20%**

This time last year I anticipated that a great deal of hard work would begin to generate rewards this year. I am delighted that our results for this half year reflect the confidence shown twelve months ago. All companies in the Ensor group have performed very well and, with growing order books, I am optimistic for the immediate future. The only shadows on the horizon could be interest rate rises affecting market confidence, weakening foreign exchange rates and, with an election approaching, political uncertainty next year. Despite these concerns, I believe the Ensor group is well placed to maintain steady progress.

I have mentioned that all our subsidiaries have had a strong first six months. Technocover, our manufacturer of high security products, as predicted, has commenced the programmes of work for the UK water utilities. They are also seeing increased enquiry levels which we feel will carry the company into the next five year Asset Management Programme period of the water industry. Progress into new markets, particularly Rail, is being made as investment in equipment, product development and LPCB testing programmes are completed.

Ellard designs and provides specialist electric motors and controls for industrial doors and gates, supplying these products to manufacturers in the UK and Europe. Since moving into new purpose built premises twelve months ago, the company has increased market share and has recently finalised an exclusive agreement with one of its European suppliers which we believe will secure Ellard's position in the market. Working in the same markets as Ellard, OSA Door Parts manufactures insulated industrial doors and garage doors. Providing close technical support to their door industry customers allows OSA to introduce new and researched products which can be brought to market quickly. This year OSA is expected to expand into larger premises as these new product developments come on line. Both companies are benefiting from an increasingly active construction market.

Ensor Building Products distributes roofing materials, including natural slates and flat roof membranes, drainage systems and other specialist building materials. Recent work to replace low margin, high volume products with higher margin, lower volume alternatives has had a positive impact on the company result. This trend is forecast to continue.

Wood's Packaging has made significant progress this year following an excellent trend of results in recent years. Supplying general packaging materials, specialist protection for furniture transportation and removal, the company has benefitted from a buoyant retail market. Close co-operation with suppliers in China allows Woods to develop new and competitive products.

Our subsidiaries are assisted by our China office. Located in Xiamen, a free port city on the east coast of China, our team of three professionals handles technical issues, monitors quality and organises logistics.

Our gearing remains a modest 2% (March 2014: 2%) despite a general increase in working capital due to higher trading activity.

Since the end of the first half of the year we have acquired, for £1,000,000, the remaining 10% of the shares of Technocover not already owned by Ensor. This was in accordance with the original 2012 purchase agreement for Technocover.

We continue to look for ways to enhance shareholder value. With this in mind, we are watching for opportunities which could achieve this but not at any cost or unacceptable risk to the group.

Recently, we have been able to increase dividends each year. We are proposing to pay a net interim dividend of 0.6p (2013: 0.5p) per share. This is an increase of 20% on last year. The interim dividend will be payable in cash only and will be paid on 23 January 2015 to shareholders registered on 30 December 2014. The ex-dividend date will be 20 January 2015.

Each year I have pleasure thanking the men and women who work around the Ensor Group. This time is no exception. My appreciation and admiration go to everyone for your contribution and hard work.

**K A Harrison TD**
Chairman
9 December 2014

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# Consolidated Income Statement

for the six months ended 30 September 2014

| | Note | **Unaudited 6 months 30/9/14** | Unaudited 6 months re-presented 30/9/13 | Audited 12 months 31/3/14 |
|---|---|---|---|---|
| | | **£'000** | £'000 | £'000 |
| **Revenue** | | **17,011** | 15,287 | 30,558 |
| Cost of sales | | **(12,664)** | (11,571) | (23,081) |
| **Gross profit** | | **4,347** | 3,716 | 7,477 |
| Administrative expenses | | **(2,884)** | (2,977) | (5,650) |
| **Operating profit** | | **1,463** | 739 | 1,827 |
| Finance costs | | **(118)** | (151) | (301) |
| **Profit before tax** | | **1,345** | 588 | 1,526 |
| Income tax expense | 2 | **(290)** | (121) | (242) |
| **Profit for the year on continuing operations** | | **1,055** | 467 | 1,284 |
| Discontinued operation | | **-** | 87 | (182) |
| **Profit for the period attributable to equity shareholders of the parent company** | | **1,055** | 554 | 1,102 |
| **Earnings per share** | 3 | | | |
| Continuing operations | | **3.5p** | 1.5p | 4.3p |
| Discontinued operations | | **0.0p** | 0.3p | (0.6p) |
| | | **3.5p** | 1.8p | 3.7p |
| **Dividends per share** | | | | |
| Dividends paid | | **1.0p** | 0.8p | 0.525p |
| Dividends proposed | | **0.6p** | 0.5p | 0.400p |

# Consolidated Statement of Comprehensive Income

for the six months ended 30 September 2014

| | | | |
|---|---|---|---|
| Profit for the period | **1,055** | 554 | 1,102 |
| Other comprehensive income: | | | |
| Actuarial loss and related deferred tax | **(35)** | - | 190 |
| **Total comprehensive income attributable to equity shareholders of the parent company** | **1,020** | 554 | 1,292 |

# Consolidated Statement of Financial Position

at 30 September 2014

| | **Unaudited 30/9/14 £'000** | Unaudited 30/9/13 £'000 | Audited 31/3/14 £'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant & equipment | **5,840** | 6,833 | 6,413 |
| Intangible assets | **2,688** | 3,071 | 2,704 |
| Deferred tax asset | **440** | 612 | 475 |
| **Total non-current assets** | **8,968** | 10,516 | 9,592 |
| **Current assets** | | | |
| Assets held for sale | **496** | - | 496 |
| Inventories | **2,940** | 2,737 | 2,646 |
| Trade and other receivables | **7,928** | 6,276 | 6,515 |
| Cash and cash equivalents | **447** | 526 | 585 |
| **Total current assets** | **11,811** | 9,539 | 10,242 |
| **Total assets** | **20,779** | 20,055 | 19,834 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Retirement benefit obligations | **(2,098)** | (2,639) | (2,264) |
| Borrowings | **(394)** | (672) | (533) |
| Other creditors | **(1,029)** | (986) | (986) |
| Deferred tax | **(73)** | (100) | (73) |
| **Total non-current liabilities** | **(3,594)** | (4,397) | (3,856) |
| **Current liabilities** | | | |
| Borrowings | **(277)** | (475) | (275) |
| Current income tax liabilities | **(668)** | (461) | (378) |
| Trade and other payables | **(5,924)** | (5,715) | (5,729) |
| **Total current liabilities** | **(6,869)** | (6,651) | (6,382) |
| **Total liabilities** | **(10,463)** | (11,048) | (10,238) |
| **NET ASSETS** | **10,316** | 9,007 | 9,596 |
| **EQUITY** | | | |
| Share capital | **3,082** | 3,082 | 3,082 |
| Share premium | **552** | 552 | 552 |
| Revaluation reserve | **140** | 140 | 140 |
| Retained earnings | **6,542** | 5,233 | 5,822 |
| **Total equity attributable to equity shareholders of the parent company** | **10,316** | 9,007 | 9,596 |

# Consolidated Statement of Changes in Equity

for the six months ended 30 September 2014

**Attributable to equity shareholders of the parent company**

| | Issued Capital £'000 | Share Premium £'000 | Revaluation Reserve £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|---|---|---|---|---|
| Balance at 1 April 2014 | 3,082 | 552 | 140 | 5,822 | 9,596 |
| Total comprehensive income | - | - | - | 1,020 | 1,020 |
| Dividend paid | | | | (300) | (300) |
| **Balance at 30 September 2014** | **3,082** | **552** | **140** | **6,542** | **10,316** |
| Balance at 1 April 2013 | 3,062 | 522 | 140 | 5,214 | 8,938 |
| Issue of shares | 20 | 30 | - | - | 50 |
| Purchase of treasury shares | - | - | - | (295) | (295) |
| Total comprehensive income | - | - | - | 554 | 554 |
| Dividend paid | - | - | - | (240) | (240) |
| **Balance at 30 September 2013** | **3,082** | **552** | **140** | **5,233** | **9,007** |
| Balance at 1 April 2013 | 3,062 | 522 | 140 | 5,214 | 8,938 |
| Issue of shares | 20 | 30 | - | - | 50 |
| Purchase of treasury shares | - | - | - | (295) | (295) |
| Total comprehensive income | - | - | - | 1,292 | 1,292 |
| Dividend paid | - | - | - | (389) | (389) |
| **Balance at 31 March 2014** | 3,082 | 552 | 140 | 5,822 | 9,596 |

# Consolidated Cash Flow Statement

for the six months ended 30 September 2014

| | **Unaudited 6 months 30/9/14 £'000** | Unaudited 6 months 30/9/13 £'000 | Audited 12 months 31/3/14 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period attributable to equity shareholders | **1,055** | 554 | 1,102 |
| Depreciation charge | **288** | 282 | 567 |
| Finance costs | **118** | 151 | 301 |
| Income tax expense | **290** | 182 | 242 |
| (Profit)/loss on disposal of property, plant & equipment | **(46)** | 3 | (3) |
| Amortisation of intangible asset | **17** | 16 | 33 |
| Loss on disposal of subsidiary | **-** | - | 263 |
| **Operating cash flow before changes in working capital** | **1,722** | 1,188 | 2,505 |
| (Increase)/decrease in inventories | **(295)** | 372 | 241 |
| (Increase)/decrease in receivables | **(1,413)** | 1,725 | 1,163 |
| Increase/(decrease) in payables | **74** | (1,054) | (1,125) |
| **Cash generated from operations** | **88** | 2,231 | 2,784 |
| Interest paid | **(110)** | (114) | (158) |
| Income taxes paid | **-** | - | (158) |
| **Net cash generated from/(used in) operations** | **(22)** | 2,117 | 2,468 |
| **Cash flows from investing activities** | | | |
| Proceeds from disposal of property, plant & equipment | **648** | 42 | 97 |
| Proceeds from sale of subsidiary | **-** | - | 613 |
| Acquisition of property, plant & equipment | **(317)** | (260) | (721) |
| **Net cash generated from/(used in) investing activities** | **331** | (218) | (11) |
| **Cash flows from financing activities** | | | |
| Equity dividends paid | **(300)** | (240) | (389) |
| Issue of shares | **-** | 50 | 50 |
| Purchase of treasury shares | **-** | (295) | (295) |
| Amounts repaid in respect of finance leases | **(9)** | (9) | (20) |
| Loan repayments | **(138)** | (133) | (267) |
| **Net cash used in financing activities** | **(447)** | (627) | (921) |
| **Net increase/(decrease) in cash and cash equivalents** | **(138)** | 1,272 | 1,536 |
| Cash and cash equivalents at beginning of period | **585** | (951) | (951) |
| Cash and cash equivalents at end of period | **447** | 321 | 585 |

# Notes to the Interim Report

## 1. Basis of preparation

The unaudited results for the six months have been prepared in accordance with International Financial Reporting Standards ("IFRS") and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The interim report has not been prepared in accordance with IAS 34, "Interim Financial Reporting" in that it does not contain full disclosure of accounting policies and does not detail compliance with other standards. These disclosures are dealt with in the group's annual report.

The statutory accounts for the year ended 31 March 2014, prepared under IFRS, have been delivered to the Registrar of Companies and received an unqualified audit report.

## 2. Income tax expense

The income tax expense is calculated using the estimated tax rate for the year ended 31 March 2015.

## 3. Earnings per share

The calculation of earnings per share for the period is based on the profit for the period divided by the weighted average number of ordinary shares in issue, being 30,818,074 (6 months to 30 September 2013 - 29,976,848 and year ended 31 March 2014 – 30,295,976). There were no financial instruments in existence in any of these periods that would serve to dilute the shareholdings.