

COBURG GROUP PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED
31 OCTOBER 2014

CHAIRMAN'S STATEMENT

Results for Coburg Group Plc ("Coburg or the "Company") for the six months ended 31 October 2014 show a loss of £67,370 (2013 £40,352) which relates principally to operating costs and costs associated with maintaining the company's AIM listing of £37,611, interest costs of £11,068, unrealised losses of £26,780 from write down of Trade Investments during the period offset by realised gains of £8,089 from sale of Trade Investments.

Coburg's Non-Current Investment as at 31 October 2014 was £169,160 (average cost of 0.170 pence per share) representing a strategic interest of 11.4% in AIM listed African Eagle Resources ("AE"); this investment is shown on the balance sheet at historic cost.

On 11 August 2014, the shares in AE were temporarily suspended from trading on AIM as a result of AE not having completed an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules, or otherwise implementing its investing policy in accordance with Rule 15.

AE announced on 20 November 2014 that, "through its newly incorporated South African wholly-owned subsidiary, it had entered into a conditional agreement to acquire the entire issued and to be issued share capital of Lime-Chem Resources (Proprietary) Limited, a company that operates an iron ore mine located in the Northern Cape province of South Africa. Following Completion, the consideration is to be satisfied partly by the issue of ordinary shares in the capital of AE at 0.275 pence per share and the balance by way of a cash payment. The AE Acquisition is subject a number of conditions and is anticipated to be closed on or before 31 March 2015."

The unrealised losses of £26,780 from the write down of Trade Investments referred to above reflects the depressed state of prices in the minerals market.

In light of the perceived continuation of this trend for the foreseeable future, while the Coburg Board continues to invest in companies in the Natural Resources Sector, it is increasing its focus on identifying a Reverse Takeover in any sector which will benefit Coburg shareholders.

Chris Ells
Chairman
16 January 2015

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months to 31 October 2014 (unaudited) £	Six months to 31 October 2013 (unaudited) £	Year to 30 April 2014 (audited) £
Revenue	8,089	3,752	3,226
Administrative expenses	(37,611)	(39,591)	(65,148)
Revaluation of Trade Investments	(26,780)	-	-
Operating Loss	(56,302)	(35,839)	(61,922)
Exceptional items: Realised gains on Available for Sale Investments	-	-	29,479
	(56,302)	(35,839)	(32,443)
Finance costs	(11,068)	(4,513)	(14,250)
Loss before tax	(67,370)	(40,352)	(46,693)
Income tax expense	-	-	-
Loss for the financial period	(67,370)	(40,352)	(46,693)
Other comprehensive income	-	258,250	3,044
Total comprehensive income for the period	(67,370)	217,898	(43,649)
Basic EPS (pence)	(9.60)	(9.77)	(11.31)
Diluted EPS (pence)	(9.60)	(9.77)	(11.31)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	Six months to 31 October 2014 (unaudited) £	Six months to 31 October 2013 (unaudited) £	Year to 30 April 2014 (audited) £
ASSETS				
Non-current assets				
Available for Sale Investments	4	169,160	495,236	156,631
		<u>169,160</u>	<u>495,236</u>	<u>156,631</u>
Current assets				
Trade investments	4	171,942	-	70,116
Cash and cash equivalents		93,915	60,183	72,150
Prepayments		10,181	9,377	17,564
		<u>276,038</u>	<u>69,560</u>	<u>159,830</u>
TOTAL ASSETS		<u>445,198</u>	<u>564,796</u>	<u>316,461</u>
LIABILITIES				
Non-current liabilities				
Financial instruments - borrowings		275,000	275,000	275,000
		<u>275,000</u>	<u>275,000</u>	<u>275,000</u>
Current liabilities		27,825	9,456	31,668
		<u>27,825</u>	<u>9,456</u>	<u>31,668</u>
TOTAL LIABILITIES		<u>302,825</u>	<u>284,456</u>	<u>306,668</u>
NET ASSETS		<u>142,373</u>	<u>280,340</u>	<u>9,793</u>
EQUITY				
Called up share capital		1,238,545	1,207,045	1,207,045
Share premium account		801,614	633,164	633,164
Other reserves		405,881	670,087	405,881
Retained earnings		<u>(2,303,667)</u>	<u>(2,229,956)</u>	<u>(2,236,297)</u>
TOTAL EQUITY		<u>142,373</u>	<u>280,340</u>	<u>9,793</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months to 31 October 2014 (unaudited)	Six months to 31 October 2013 (unaudited)	Year to 30 April 2014 (audited)
	£	£	£
Cash flow from operating activities			
Operating loss	(67,370)	(40,352)	(46,693)
Adjustments for:			
-Exceptional items	-	-	(29,479)
-Other operating income	-	-	(152)
-Share based payments	-	-	(9,000)
-Trade investments adjustment	26,780	-	-
-Finance costs	8,197	4,513	14,250
-(Increase)/decrease in trade and other receivables	7,383	5,115	(3,072)
-Increase/decrease in trade and other payables	(3,826)	(17,314)	4,898
Cash generated from operating activities	(28,836)	(48,038)	(69,248)
Interest paid	(8,197)	(4,513)	(14,250)
Net cash from operating activities	(37,033)	(52,551)	(83,498)
Cash from investment activities			
Purchase of investments	(141,152)	(172,724)	(192,311)
Sales of fixed asset investments	-	25,865	88,366
Net cash used in investing activities	(141,152)	(146,859)	(103,945)
Cash from financing activities			
New loans	-	90,000	90,000
Issue of new equity	199,950	-	-
Net cash generated from financing activities	199,950	90,000	90,000
Net increase/(decrease) in cash and equivalents	21,765	(109,410)	(97,443)
Cash and cash equivalents at beginning of period	72,150	169,593	169,593
Cash and cash equivalents at end of period	<u>93,915</u>	<u>60,183</u>	<u>72,150</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
Balance as at 1 November 2012	1,207,045	633,164	426,284	(2,136,869)	129,624
Loss in period	-	-	-	(52,735)	(52,735)
Revaluation of investment	-	-	(14,447)	-	(14,447)
Balance as at 30 April 2013	1,207,045	633,164	411,837	(2,189,604)	62,442
Loss in period	-	-	-	(40,352)	(40,352)
Revaluation of investment	-	-	258,250	-	258,250
Balance as at 1 November 2013	1,207,045	633,164	670,087	(2,229,956)	280,340
Loss in period	-	-	-	(6,341)	(6,341)
Revaluation of investment	-	-	(255,206)	-	(255,206)
Share based payment	-	-	(9,000)	-	(9,000)
Balance as at 30 April 2014	1,207,045	633,164	405,881	(2,236,297)	9,793
Loss in period	-	-	-	(67,370)	(67,370)
Issue of new equity	31,500	173,250	-	-	204,750
Costs in relation to new equity issue	-	(4,800)	-	-	(4,800)
Balance as at 31 October 2014	1,238,545	801,614	405,881	(2,303,667)	142,373

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NOTES TO INTERIM FINANCIAL STATEMENTS

1. BASIS OF ACCOUNTING

These interim financial statements for the period ended 31 October 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS).

The information presented within these financial statements is in compliance with IAS34 'Interim Financial Reporting'. This requires the use of certain accounting estimates and requires that management exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where the assumptions and estimates are significant to the interim statements are disclosed below.

The financial information contained in the report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006 and has been prepared on the same basis and using the same accounting policies as used in the financial statements for the year ended 30 April 2014. The interim financial statements have not been audited.

The Company's statutory financial statements for the year ended 30 April 2014, prepared under IFRS have been filed with the Registrar of Companies. The auditors' report for the 2014 financial statements is unqualified.

2. CRITICAL ACCOUNTING ESTIMATES

In order to prepare these consolidated financial statements in accordance with the accounting policies set out in note 1, management has used estimates and judgments to establish the amounts at which certain items are recorded. Critical accounting estimates are those that have the greatest impact on the financial statements and require the most difficult, subjective and complex judgments about matters that are inherently uncertain. Estimates are based on factors including historical experience and expectations of future events that management believe to be reasonable. However, given the judgmental nature of such estimates, actual results could be different from the assumptions used. The critical accounting policies are set out below:

Going concern

In assessing going concern the directors have prepared forecasts. The forecasts are based on factors including historical experience and expectations of future events which directors believe to be reasonable. However, given the judgmental nature of such estimates, actual results could be different from the forecasts used.

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NOTES TO INTERIM FINANCIAL STATEMENTS (cont...)

3. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of ordinary shares outstanding in the period.

	Six months to 31 Oct 2014			Six months to 31 Oct 2013		
	Earnings £	WANS	EPS pence	Earnings £	WANS	EPS pence
Basic earnings per share	(67,370)	701,659	(9,60)	(40,352)	412,909	(9.77)

4. Investments

From the proceeds of the share issue in May 2014, the following investments were made during the period:

Available for Sale Asset Investments	£12,529
Trade Investments	£147,122

5. Share capital

During the period the Company raised £199,950 after expenses through the issue of 315,000 ordinary 10p shares. As at the end of the reporting period the issued share capital in the company was as follows:

	Six months to 31 October 2014 (unaudited)	Six months to 31 October 2013 (unaudited)	Year to 30 April 2014 (audited)
Ordinary 10p shares	727,909	412,909	412,909
Deferred £49 shares	<u>23,790</u>	<u>23,790</u>	<u>23,790</u>