Clear Leisure PLC (CLP)

Wednesday 30 September, 2015

Clear Leisure PLC

Half Yearly Report
RNS Number : 6332A
Clear Leisure PLC
30 September 2015

30 September 2015

Clear Leisure plc

("Clear Leisure", "the Group" or "the Company")

INTERIM RESULTS

For the 6 Months Ended 30 June 2015

Clear Leisure plc (AIM: CLP) announces its unaudited Interim Results for the 6 months ended 30 June 2015.

For further information please contact:

Clear Leisure plc +39 335 296573

Francesco Gardin, CEO and Executive Chairman

ZAI Corporate Finance (Nominated Adviser)

Tim Cofman/Jamie Spotswood/Peter Trevelyan-Clark +44 (0)20 7060 2220

Peterhouse Corporate Finance (Joint Broker) +44 (0) 20 7469 0935

Lucy Williams / Heena Karani

Cadogan Leander (Financial PR) +44 (0) 7795 168 157

Christian Taylor-Wilkinson

About Clear Leisure Plc

Clear Leisure plc (AIM: CLP) is an AIM listed investment company with a portfolio of companies primarily encompassing the leisure and real estate sectors mainly in Italy. The Company may be either a passive or active investor and Clear Leisure's investment rationale ranges from acquiring minority positions with strategic influence through to larger controlling positions. For further information, please visit, www.clearleisure.com

Chairman's Statement

The past few months have been a busy period of far reaching change for Clear Leisure. On 31 July 2015, the Company announced the resignation of Alfredo Villa (Chairman and CEO) and independent director Francesco Emiliani and the appointment of Francesco Gardin as Chairman and CEO and Reg Eccles as Non Executive Director. On August 19, Nilesh Jagatia resigned as Chief Financial Officer.

The immediate priority of the new Board has been to assess the value of the Company's assets, which are based mainly in Italy; to stabilise the Company's financial position and to formulate a coherent and relevant growth strategy in line with the investment policy approved by shareholders.

Moreover, the Board has decided that Directors' fees will not be payable until cash is being generated by the Company.

An assessment of the existing assets is now underway with some very preliminary results, although the process is far from complete.

An initial review of the Company's investment in Mediapolis has led the Board to write down the book value of this investment, even though the assessment is still on going. In November 2013, the Company received an offer for Mediapolis of EUR 20 million including the debt, subject to the fulfilment of certain conditions. This offer compares to the book value of Mediapolis as at 31 December 2014 of EUR 35 million. While the Company will continue to pursue the claim for EUR 39.65 million damages against the Piedmont Region for failing to honour a commitment to approve the construction of the Mediapolis theme park, the Board considers it prudent to write down the book value by EUR 15 million, to the equivalent amount offered in November 2013. It is possible that further write-downs may be required although equally, approval to construct could result in an upward revision of the value of this investment.

The option to dispose, for EUR 500,000, of the 51% Alnitak S.à.r.l. ("Alnitak"), the Luxemburg vehicle holding 100% of the Hospitality and Leisure Fund ("H&L Fund"), expired on 15 June without being exercised by the potential buyer. The Company having no longer any contractual obligation to sell to the option holder, retained the EUR 50,000 option payment. Based on a 30 June 2015 valuation by Jones Lang LaSalle, the Board has concluded that the H&L Fund may be more valuable than previously indicated and is currently considering all available options to maximise the disposal value of the asset.

With respect to the Ondaland investment (the waterpark in North Italy) the Board has taken the view to maintain the book value as per 31 December 2014 accounts pending the outcome of the formal legal claims it has entered into in the Turin Court on the formal assignment of some of the titles and rights to the investment.

The Board has also assessed the valuation of the holding company of SoSushi Company srl. While not ruling out that some value could be extracted from the brand subject to entering into an agreement with a catering industry partner, the Board has elected to write off this EUR 100,000 investment in its entirety.

The Company has entered into negotiations with its key creditors and debt providers to extend repayment dates. Based on negotiations completed to date the Board is reasonably confident that agreements on the extensions can be agreed.

The Board is also investigating the directors, members of the internal audit committees and the advisers who provided valuations prior to the investments in certain portfolio companies, in order to establish whether any negligence or wrongdoings were involved both in the management of the companies and the due diligence of the investments.

Francesco Gardin

Clear Leisure PLC

CEO and Chairman

Financial Review

The Company reported a loss before tax of EUR 13,238,000 in the six months to 30 June 2015 (June 2014: loss before tax EUR 395,000); operating losses for the period were EUR 459,000 (June 2014: operating loss EUR 134,000).

The undiluted Net Asset Value (NAV) attributable to the shareholders of the Company as of 30 June 2015 was EUR 4.86 million (GBP 3.58 million), equivalent to 2.31 EUR cents (GBP 1.70 pence) per share (31 Dec 2014: EUR 21.43 million, 10.75 EUR cents per share). This compares to the closing share price at 29 September 2015 of 0.82 pence per share.

Operational review

On 12 January 2015, Clear Leisure announced that it had raised EUR 200,000 via the placing of a 7 per cent. loan note ("Loan Note") to its major Swiss shareholder to provide funds for its further investment in Mediapolis S.p.A ("Mediapolis"). As a result, the Company completed a second investment in Mediapolis through a subscription for EUR 185,000 of new shares, increasing its holding in Mediapolis from 69.5 per cent. to 82.4 per cent. The Loan Note is repayable on 31 October 2015 or convertible into shares at 1.5p per share. The right to convert vests with the lender.

On 23 February, the Company agreed the sale of H&L Fund, held by Alnitak, the vehicle that controls the entire share capital of the Fund, which had been acquired on 23 May 2014. The Company agreed a sale price of Alnitak of EUR 500,000. The sale was subject to a condition precedent with a then expected closing date on or before 15 June 2015.

On 24 February, the Company increased its beneficial interest in Mediapolis to 84.04% of the equity and 87.74% of the voting rights.

On 2 March 2015, Clear Leisure entered into a short-term loan agreement for £250,000 with a third party with repayment of principal and interest due by 1 September 2015. Following the initial agreement and the appointment of the new Board on 31 July 2015, the Company and the lender have agreed a temporary extension of the repayment date to 16 October 2015, in order to negotiate new terms of the loan and a new maturity date.

On 30 April 2015, the Company raised a total of £110,000 (gross of expenses) through a placing of 11,000,000 ordinary shares of 0.25 pence at a price of 1 pence per share. The funds raised have been used for general working capital purposes.

Post 30 June 2015 events

On 31 July 2015, Mr Alfredo Villa resigned together with Mr Francesco Emiliani, followed by Mr Nilesh Jagatia two weeks later. Mr Francesco Gardin was appointed as CEO and Chairman, with Mr Reginald Eccles appointed as non-executive Director.

On 31 July the Company awarded 10,000,000 stock options to Francesco Gardin and 3,000,000 to Reginald Eccles, at a strike price of 1.25p, to be exercised within the next five years.

On 19 August 2015 the Board appointed Haines Watts, a top 15 UK accounting firm, effective from 1 September, to act as Finance Managers reporting to the Board on specific matters.

Investment Portfolio as at 30 June 2015

Operational Assets

Name	**Stake**	**Sector**
Sipiem	50.16%	Theme Parks (Waterpark)
SoSushi Company srl	100%	Restaurants
Ascend Capital	10.0%	Finance

Investments for Sale

Name	**Stake**	**Sector**
Mediapolis S.p.A.	84.04%	Leisure / Real Estate
Alnitak Sarl	51%	Leisure / Real Estate
Bibop	67.12%	Interactive Media
Geosim	8.9%	Interactive Media

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

ENDED 30 JUNE 2015

	Note	**Six months to 30 June 2015**	Six months to 30 June 2014	Year Ended 31 December 2014
				Audited
		Unaudited	Unaudited	
Continuing operations		**€'000**	€'000	€'000
Revenue		**-**	48	70
Cost of sales		**-**	-	(1)
		-	48	69
Other operating income		**-**	-	856
Administration expenses		**(459)**	(182)	(1,986)
Operating loss		**(459)**	(134)	(1,061)
Other gains and losses		**(15,000)**	-	(996)
Finance income		**-**	-	1
Finance charges		**(114)**	(261)	(1,085)
Loss before tax		**(15,573)**	(395)	(3,141)
Taxation		-	-	-
Loss for the period from continuing operations		**(15,573)**	(395)	(3,141)
Loss from discontinued operations		-	-	67
Loss for the Period		**(15,573)**	(395)	(3,074)
Other comprehensive income				
Gain on acquisition of non-controlling interest		-	-	3,750
Exchange translation differences		-	-	5
Total other comprehensive income		-	-	3,755
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(15,573)**	(395)	681
(Loss)/profit attributable to:				
Owners of the parent		**(13,238)**	(309)	(2,836)
Non-controlling interests		**(2,335)**	(86)	(238)
Total comprehensive income attributable to				
Owners of the parent**:**		**(13,238)**	(309)	919

Non-controlling interests		**(2,335)**	(86)	(238)
Earnings per share:	3			
Basic and fully diluted loss from continuing operations		**(€0.065)**	(€0.002)	(€0.015)
Basic and diluted loss per share from discontinued operations		**-**	-	€0.001
Basic and diluted loss per share		**(€0.065)**	(€0.002)	(€0.014)

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	**Six Months to 30 June 2015**	Six Months to 30 June 2014	Year Ended 31 December 2014
		€'000	€'000	€'000
Non-current assets				
Goodwill		**9**	9	9
Other intangible assets		**151**	-	151
Property, plant and equipment		**23,697**	38,916	38,697
Available for sale investments	4	**6,560**	7,527	6,560
Other receivables		**-**	21	-
Total non-current assets		**30,417**	46,473	45,417
Current assets				
Inventories		**-**	9	-
Available for sale investments	4	**450**	-	450
Trade and other receivables		**150**	1,404	148
Cash and cash equivalents	5	**1,370**	1,374	1,373
Total current assets		**1,970**	2,785	1,971
Current liabilities				
Trade and other payables		**(4,070)**	(3,583)	(4,329)
Borrowings		**(20,952)**	(14,705)	(20,276)
Total current liabilities		**(25,022)**	(16,289)	(24,605)
Net current liabilities		**(23,052)**	(15,504)	(22,634)
Total assets less current liabilities		**7,365**	30,969	22,783
Non-current liabilities				
Borrowings		**-**	(5,469)	-
Deferred liabilities and provisions		**(1,355)**	(1,440)	(1,355)
Total non-current liabilities		**(1,355)**	(6,909)	(1,355)
Net assets		**6,010**	24,060	21,428

Equity			
Share capital	**6,113**	6,074	6,074
Share premium account	**42,972**	42,856	42,856
Other reserves	**11,390**	10,839	11,390
Retained losses	**(55,615)**	(42,902)	(42,377)
Equity attributable to owners of the Company	**4,860**	16,867	17,943
Non-controlling interests	**1,150**	7,193	3,485
Total equity	**6,010**	24,060	21,428

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
At 1 January 2014	6,074	42,856	10,869	(42,843)	16,956	7,219	24,175
Loss for the year	-	-	-	(2,836)	(2,836)	(238)	(3,074)
Other comprehensive income	-	-	453	3,302	3,755	-	3,755
Total comprehensive income for the year	-	-	453	466	919	(238)	681
Acquisition of non-controlling interests in subsidiary	-	-	-	-	-	(3,496)	(3,496)
Issue of convertible bond	-	-	68	-	68	-	68
At 31 December 2014	6,074	42,856	11,390	(42,377)	17,943	3,485	21,428

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS TO

30 JUNE 2015

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total €'000	Non-controlling interests €'000	Total equity €'000

At 1 January 2015	6,074	42,856	11,390	(42,377)	17,943	3,485	21,428
Issue of shares	39	116		-	155	-	155
Loss for the period and total comprehensive income	-	-	-	(13,238)	(13,238)	(2,335)	(15,423)
At 30 June 2015	6,113	42,972	11,390	(55,615)	4,860	1,150	6,010

STATEMENT OF CASH FLOWS FOR THE YEAR SIX MONTHS ENDED 30 JUNE 2015

	Six Months to 30 June 2015	Six Months to 30 June 2014	Year Ended 31 December 2014
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Net cash outflow from operating activities	**(510)**	**(134)**	**(387)**
Cash flows from investing activities			
Acquisition of subsidiary undertakings	-	-	(193)
Purchase of available for sale investments	-	-	(33)
Interest received	-	-	1
Net cash inflow/(outflow) from investing activities	-	-	**(225)**
Cash flows from financing activities			
Proceeds from issues of new ordinary shares (net of expenses)	155	-	-
Proceeds of issue of convertible bond	-	-	412
Proceeds from short term loans	352	31	90
Net cash inflow from financing activities	**507**	**31**	**502**
Net decrease in cash for the period	**(3)**	**(103)**	**(110)**
Cash and cash equivalents at beginning of year	1,373	1,477	1,477
Exchange differences	-	-	6
Cash and cash equivalents at end of period	**1,370**	**1,374**	**1,373**

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Clear Leisure plc is a company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM of the London Stock Exchange. The address of the registered office is 22 Great James Street, London, WC1N 3ES.

The principal activity of the Group is that of an investment company pursuing a strategy to create a portfolio of companies

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these consolidated financial statements.

Basis of preparation

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2014 were approved by the Board of Directors on 29 June 2015 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The financial statements have been prepared under the historical cost convention except for certain available for sale investments that are stated at their fair values and land and buildings that have been revalued to their fair value.

The interim financial information for the six months ended 30 June 2015 has not been reviewed or audited. The interim financial report has been approved by the Board on 29 September 2015.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the interim financial statements for the period ended 30 June 2015.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2014 Annual Report and Financial Statements, a copy of which is available on the Company's website:

www.clearleisure.com The key financial risks are liquidity and credit risk.

Critical accounting estimates

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2 of the Company's 2014 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Loss per share

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed using the same weighted average number of shares during the period adjusted for the dilutive effect of share warrants and convertible loans outstanding during the period.

The profit and weighted average number of shares used in the calculation are set out below:

	Six months to 30 June 2015	Six months to 30 June 2014	Year ended 31-Dec-14
	(Unaudited)	(Unaudited)	(Audited)
	€'000	€'000	€'000
Loss attributable to owners of the parent company:			
Continuing operations	(13,238)	(309)	(2,903)
Discontinued operations	-	-	67
Adjusted loss	(13,238)	(309)	(2,836)
Weighted average number of ordinary shares	203,117	197,564	199,409
Basic and fully diluted earnings per share:			
Continuing operations	(€0.065)	(€0.002)	(€0.015)
Continuing and discontinued operations	(€0.065)	(€0.002)	(€0.014)

IAS 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease earnings per share or increase net loss per share. For a loss making company with outstanding share options and warrants, net loss per share would only be increased by the exercise of out-of-the money options and warrants. Since it seems inappropriate that option holders would act irrationally, no adjustment has been made to diluted earnings per share for out-of-the money options and warrants in the comparatives. There are no other diluting share issues

4. Available for sale investments

Group	Six months to 30 June 2015 €'000	Six months to 30 June 2014 €'000	Year Ended 31 December 2014 €'000
Fair value			
At beginning of period	6,560	7,527	7,556
Impairment recognised in the income statement	-	-	(996)
Carrying value	6,560	7,527	6,560
Non-current assets	6,560	7,527	6,560
Current assets	450	-	450
	7,010	7,527	7,010

5. Cash and cash equivalents

The amounts shown as cash and cash equivalents for the current and comparative periods include €1,368,000 in a blocked account which can only be used when construction commences at the Mediapolis development site.

6. Investment Policy

The Company intends on identifying and investing in investment opportunities which it believes show excellent growth potential on a stand-alone basis and which would add value to the Company's portfolio of investments through the expertise of the Board or through the provision of ongoing funding.

It is the intention of the Company that the majority of investments will be made in unlisted companies; however pre-IPO and listed companies may, from time to time, be considered on a selective basis.

The Company believes that the broad collective experience of the Board together with its extensive network of contacts will assist them in the identification, evaluation and funding of investment targets. When necessary other external professionals will be engaged to assist in the due diligence of prospective targets. The Board will also consider, as it sees fit, appointing additional directors and/or key employees with relevant experience as part of any specific investment.

The Company may offer Shares as well as cash by way of consideration for prospective investments, thereby helping to preserve the Company's cash for working capital. The Company may, in appropriate circumstances, issue debt securities or borrow money to complete an investment.

7. Copies of Interim Accounts

Copies of the interim results are available at the Group´s web site at www.clearleisure.com.

Copies may also be obtained from the Group´s registered office: Clear Leisure plc, 22 Great James Street London WC1N 3ES.

END

IR BKLLLEKFXBBV