

DJ ESV Group Plc Final Results

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ESV Group Plc

31 August 2011

ESV GROUP PLC

("ESV" or "The Group")

Preliminary Results for the Year ended 31 March 2011

ESV Group Plc, the farming and logistics company, is pleased to announce its preliminary results for the year ended 31st March 2011.

CHAIRMAN'S STATEMENT

Sale of Mozambique Jatropha plantations

The balance of US\$1.9 million receivable from the Group's sale of its Jatropha plantations was contingent upon the issuance of the Jatropha farming rights for the second plantation area by 9 May 2011. The parties who purchased the plantation from the Group did not co-operate in this issuance as they were required to do.

The Group is now seeking redress against the purchasers in the Mozambique courts and for them to complete the transaction. From this final receivable, payment of US\$0.25 million is to be made to the former holders of the land.

Grain trading

The Group is not considering resuming grain trading in the current uncertain market conditions.

Ukraine agri-logistics

Ukraine's grain exports during the period under review continued to decrease and the country implemented export quotas by decree 938 dated 4 October 2010, effective 19 October 2010 and remained in effect until 3 June 2011. The company, Dnipro Cargo, claimed force majeure during the period of the decree and therefore ESV has not received any income during the year ended 31 March 2011.

As the majority of the terminal's annual income arises during the period from October to March each year, Dnipro Cargo has advised ESV that it is unable to pay the monthly minimum fee of US\$33,000 per month due for the period from 1 April 2010 to 19 October 2010 under the Management Agreement. As the non-payment arises due to the circumstances beyond the control of the terminal, ESV has agreed not to enforce the payment of these fees.

Russian grain production was severely curtailed due to drought conditions in the summer of 2010 and, as a result, Russia banned wheat exports until at least the end of 2010. Ukraine's agricultural production was also affected by weather conditions in 2010. The 2011 wheat crop, although also weather-affected, is due for export from October this year.

Although prospective quota restrictions for this crop cannot be ruled out, the Company expects to resume corn exports which should normally be some 150,000 tons in the period October 2011-April 2012.

World food shortages are forecast as a result of increasing populations, demands for better dietary standards in emerging economies and global warming. ESV's operations are well-positioned to service the traditional grain and seed markets when normalised conditions return.

Cost controls

The Group continues to monitor carefully and where possible reduce costs and commitments to operate its businesses within the financial resources available.

Going concern

In order to maintain its operations and pursue new opportunities, the Company needs finance and its track record shows that it has been able to meet its needs as arising. A good platform has been created in terms of Ukraine agri-logistics. The Directors are confident that the Company's financial needs will be met as they arise and new opportunities will be pursued when adequate resources are available.

Results for the year

The Group's loss for the year amounts to GBP 468,630 compared with GBP1,225,753 for the prior year. The prior year result included a loss of GBP856,597 from the sale of Mozambican operations.

The turnover represents the fee of GBPnil (2010: GBP317,695) for the management of the grain terminal in Kherson Sea Port.

Future developments

The Directors of ESV have identified new opportunities, which the Company intends to pursue as soon as the present volatile market conditions subside.

Firstly the Company is closely monitoring developments in the Ukraine agricultural sector. The world is currently undergoing food shortages which are forecast to continue in the years ahead. The OECD-FAO Agricultural Outlook 2010-2019 Report estimates a steady rise of 1.1% per annum in global population numbers and that this will require a 70% increase in world food production by 2050. With an increasing proportion of land devoted to biofuel crops and the trend towards higher animal-protein diets in emerging countries, pressure is building on limited land acreage. The Report foresees average wheat and coarse grain prices over the next 10 years between 15-40 percent higher in real terms (adjusted for inflation) than their average levels during the 1997-2006 period.

There is therefore a significant opportunity for ESV to utilise its knowledge, experience and contacts in the Ukraine to develop and expand its interests in the country.

Secondly, ESV has agreed a Memorandum of Understanding ("MOU") with a Sichuan, China based developer of a silica-based organic fertiliser applicable to soils in desert and near-desert areas. The fertiliser produced uses layered porous silicate, a nanometre interlayer and high polymerising technology. It can change and improve the structure of desert land and create conditions for a positive cycle of water, fertiliser and vegetation growth. The material has been used successfully in China for the last 10 years.

Bringing desert areas into agricultural production is a key objective of many emerging countries and of the product. ESV is projected to have a majority share in a dedicated Joint Venture that intends to conduct trials in Tunisia, Jordan, UAE, Israel and recently in Zambia, Mozambique and South Africa with a view to marketing the product internationally. ESV is progressing the MOU and will update shareholders shortly.

The Directors of ESV accept responsibility for the information presented in this Report

M A Alikhani

Chairman

30 August 2011

Notes to editors:

ESV is a broadly based investment business currently involved in agribusinesses including farming and logistics in the Ukraine .

The Company holds a purchase and sale agreement with a 12,000 hectare farming business in the Poltava region of the Ukraine and it has a management agreement with Dnipro Cargo Ltd for port management operations at the Kherson Sea Port, one of the principal transshipment centres on the Black Sea. Here it operates cargo and port facilities, principally for the export of grains.

ESV has been quoted on PLUS since 21 August 2006 (symbol ESVO).

www.esvgroup.com

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 March 2011

	Year ended 31-Mar-2011 GBP	Year ended 31-Mar-2010 GBP
Continuing operations:		
Revenue	-	317,695
Administrative expenses	(468,630)	(686,851)
Loss for the year before and after tax from continuing operations	(468,630)	(369,156)
Discontinued operations:		
Loss from disposal of discontinued operations	-	(856,597)
Loss for the year attributable to equity holders of the Company	(468,630)	(1,225,753)
Loss per share Basic and diluted (pence)	6.56p	*17.56p

At the Annual General Meeting held in October 2010, an ordinary resolution was passed for the consolidation of the issued Ordinary shares of 0.023p each so that each 100 such shares became one new Ordinary share of 2.3p. The number of Ordinary shares in issue post consolidation is 7,141,232 (pre consolidation 714,123,189).

*restated based on share consolidation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2011 GBP	2010 GBP
Loss for the year	(468,630)	(1,225,753)
Other comprehensive income:		
Exchange translation differences on foreign operations	26,325	(221,061)
Total comprehensive loss for the year attributable to equity holders of the Company before and after tax	(442,305)	(1,446,814)

The board is not recommending the payment of a dividend in respect of the year ended 31 March 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	2011 GBP	2010 GBP
ASSETS		
Non-current assets		
Property, plant and equipment	1,125	5,160
Current assets		
Trade and other receivables	235,301	592,316
Available for sale financial asset	1,184,982	1,260,616
Cash and cash equivalents	1,070	2,763
Total Current assets	1,421,353	1,855,695
Total assets	1,422,478	1,860,855
LIABILITIES		
Current liabilities		
Trade and other payables	1,253,656	1,245,352
Bank overdraft	24,384	28,760
Total liabilities	(1,278,040)	1,274,112
Net assets	144,438	586,743
Equity		
Share capital	164,249	164,249
Share premium	3,330,805	3,330,805
Retained earnings	(3,136,771)	(2,668,141)
Cumulative translation reserve	(213,845)	(240,170)
Equity attributable to equity holders of the Company	144,438	586,743

The consolidated results for the year have been extracted from financial statements of the Group for the year and do not constitute full statutory accounts for the Group. The financial information is not audited but has been reviewed by the Company's auditors.

The comparative figures are for the year ended 31 March 2010.

For further information:

ESV Group plc

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August 31, 2011 02:01 ET (06:01 GMT)

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August 31, 2011 02:01 ET (06:01 GMT)