

25 September 2009

**KINGSWALK INVESTMENTS LIMITED**  
("Kingswalk" or "the Company")

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009**

Kingswalk Investments Limited (AIM: KWI), the strategic investment company, today announces its unaudited results for the six months ended 30 June 2009.

**DIRECTORS' REVIEW**

We are pleased to present the Company's interim results for the six months to 30 June 2009 to shareholders.

**Background**

2009 has, for nearly all businesses involved in the financial sector and particularly those involved in private equity, been an extremely difficult trading environment. The Company has, during the course of this year, undergone something of a transformation with, *inter alia*, the appointment of new administrators in Guernsey, the approval by shareholders of a change in the Company's investment policy and a change of name to Kingswalk Investments and a widening of the Company's shareholder base through the placing undertaken in June 2009. These changes have been brought about by the almost total disintegration of the Company's carrying value of private equity investments, principally caused by the lack of available capital for the underlying businesses, the result of which is that a number have, along with many thousands of other businesses, unfortunately entered administration with no value attributable to equity holders.

The actions taken during the first half of 2009 have, the directors believe, provided Kingswalk with a fresh start to enable it to try to recover value for shareholders during the inevitable rally in investment values over the course of the next 12 – 18 months.

**Financial review**

During the period under review, the Company did not make any investments and only realised one investment for £100,000, the proceeds of which were used to partly repay Kingswalk's outstanding borrowings at the time of £115,000. The effect of this, together with some of the Company's creditors agreeing to convert part of their balances owed by the Company into new ordinary shares in the Company, as announced on 19 June 2009, is that the Company was able to greatly improve its balance sheet by reducing its net current liabilities from £207,883 at the beginning of the period to £10,540 at the period end. Net debt (loans net off cash) at the period end improved from £114,120 on 1 January 2009 to only £13,380 at the end of the period under review. Net assets at the period end increased to £96,089 compared to £43,356 at the beginning of the year.

The Company recorded a loss for the period of £137,451, compared to a loss for the year ended 31 December 2008 of £3,737,827, the year in which the Company impaired the vast majority of the carrying value of its investments. Losses on investments during the period of £9,453 compares to a loss on investment for the whole of 2008 of £3,598,699. Expenditure for the six months to 30 June 2009 was £127,998 down in comparison to the same period last year.

Cash at the period end was £21,777 (31 December 2008: £880) and the Company had a long-term borrowing facility in place at the period end enabling it to draw down approximately a further £67,000, sufficient to cover the ongoing running costs of the Company for the foreseeable future.

## **Current trading and outlook**

The Directors are currently in discussions with a number of parties to raise new equity and/or debt funds for the Company in order to kick start a new round of investments, in both private and public ventures. It is the Directors long term strategy to return the Company to delivering material value for shareholders through the capital appreciation of its underlying investments. Whilst it is too early at this moment to provide any certainty as to when or if these additional funds will be forthcoming, the Directors remain cautiously optimistic.

**UNAUDITED STATEMENT OF TOTAL RETURN**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2009**

Note	<u>For the 6 months ended 30 June 2009</u>			<u>For the 6 months ended 30 June 2008</u>			<u>For the year ended 31 December 2008</u>		
	(unaudited)			(unaudited)			(audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£	£	£	£	£	£	£	£	£
<b>LOSSES ON INVESTMENTS</b>									
Net losses on investments									
at fair value through profit or loss	-	(9,453)	(9,453)	-	(10,252)	(10,252)	-	(3,598,699)	(3,598,699)
	-	(9,453)	(9,453)	-	(10,252)	(10,252)	-	(3,598,699)	(3,598,699)
<b>INCOME</b>									
Interest income	-	-	-	20,858	-	20,858	13,770	-	13,770
Loan waiver	-	-	-	-	-	-	-	429,051	429,051
	-	-	-	20,858	-	20,858	13,770	429,051	442,821
<b>EXPENDITURE</b>									
Loan write off	-	-	-	-	-	-	-	210,306	210,306
Directors' fees	-	-	-	10,000	-	10,000	15,000	-	15,000
Administration fees	56,858	-	56,858	32,189	-	32,189	50,939	-	50,939
Professional fees	17,994	6,000	23,994	-	14,040	14,040	26,890	-	26,890
Consultancy fees	-	35,000	35,000	-	75,011	75,011	-	154,220	154,220
Audit fee	7,000	-	7,000	1,500	-	1,500	11,500	-	11,500
Interest expense	1,039	-	1,039	17,094	-	17,094	77,362	-	77,362
Regulatory and registration fees	4,107	-	4,107	11,238	-	11,238	12,588	-	12,588
Loss on foreign exchange	-	-	-	32,807	-	32,807	23,144	-	23,144
	86,998	41,000	127,998	104,828	89,051	193,879	217,423	364,526	581,949
<b>LOSS ON ORDINARY ACTIVITIES</b>									
<b>FOR THE PERIOD/YEAR</b>									
	<u>(86,998)</u>	<u>(50,453)</u>	<u>(137,451)</u>	<u>(83,970)</u>	<u>(99,303)</u>	<u>(183,273)</u>	<u>(203,653)</u>	<u>(3,534,174)</u>	<u>(3,737,827)</u>
Earnings per share									
Basic (pence per share)	2		<u>(1.00)</u>			<u>(1.38)</u>			<u>(28.24)</u>

All revenue and capital items in the above statement derive from continuing operations.  
No operations were acquired or discontinued during the period.

**UNAUDITED BALANCE SHEET**

30 JUNE 2009		30 June 2009	30 June 2008	31 December 2008
	Note	(unaudited)	(unaudited)	(audited)
		£	£	£
<b>FIXED ASSETS</b>				
Investments at fair value through profit or loss		141,786	4,037,543	251,239
<b>CURRENT ASSETS</b>				
Loans receivable		-	230,000	-
Other debtors and prepayments		-	39,970	-
Cash and cash equivalents	21,777	21,777	1,664	880
		<u>21,777</u>	<u>271,634</u>	<u>880</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Loans payable		-	(541,257)	(115,000)
Other creditors and accruals	(32,317)	(32,317)	(170,010)	(93,763)
		<u>(32,317)</u>	<u>(711,267)</u>	<u>(208,763)</u>
Net current liabilities		(10,540)	(439,633)	(207,883)
Total assets less current liabilities		131,246	3,597,910	43,356
<b>CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR</b>				
Loans payable		(35,157)	-	-
<b>NET ASSETS</b>		<u><b>96,089</b></u>	<u><b>3,597,910</b></u>	<u><b>43,356</b></u>
<b>CAPITAL AND RESERVES</b>				
CALLED UP SHARE CAPITAL	3	322,556	132,372	132,372
SHARE PREMIUM ACCOUNT		4,254,872	4,254,872	4,254,872
RESERVES		(4,481,339)	(789,334)	(4,343,888)
<b>SHAREHOLDERS' FUNDS</b>		<u><b>96,089</b></u>	<u><b>3,597,910</b></u>	<u><b>43,356</b></u>
Net asset value per share (pence per share)	4	<u>0.30</u>	<u>27.18</u>	<u>0.33</u>

**APPROVED BY THE BOARD OF DIRECTORS**

P M Everitt  
Director

I R Parry  
Director

Date: 24 September 2009

**UNAUDITED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

	Six month period ended 30 June 2009 (unaudited) £	Six month period ended 30 June 2008 (unaudited) £	Year ended 31 December 2008 (audited) £
<b>Net cash outflow from operating activities</b>	(39,260)	(95,603)	(349,613)
<b>Investing activities:</b>			
Proceeds from disposals of unquoted investments	100,000	45,628	243,484
Loans receivable repaid	-	-	52,576
	<hr/>	<hr/>	<hr/>
Net cash inflow from investing activities	100,000	45,628	296,060
<b>Financing:</b>			
Loans received	35,157	44,988	47,782
Loans repaid	(115,000)	-	-
Issue of Ordinary Shares	40,000	-	-
	<hr/>	<hr/>	<hr/>
Net cash (outflow) / inflow from financing	(39,843)	44,988	47,782
<b>Increase / (Decrease) in cash for the period / year</b>	20,897	(4,987)	(5,771)
Opening cash position	880	6,651	6,651
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at period / year end</b>	<b>21,777</b>	<b>1,664</b>	<b>880</b>

**RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN CASH  
AND CASH EQUIVALENTS**

Increase / (decrease) in cash resources for the year	20,897	(4,987)	(5,771)
Cash outflow / (inflow) from debt finance	79,843	(44,988)	(47,782)
	<hr/>	<hr/>	<hr/>
Change in net debt resulting from cash flows	100,740	(49,975)	(53,553)
Loans waived	-	-	429,051
Opening (debt) brought forward	(114,120)	(489,618)	(489,618)
	<hr/>	<hr/>	<hr/>
Closing net (debt) carried forward	(13,380)	(539,593)	(114,120)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**30 JUNE 2009**

**1. ACCOUNTING POLICIES**  
**(a) CONVENTION**

These unaudited interim financial statements have been prepared using the same accounting policies, presentation and methods of computation adopted in the last audited financial statements, which were prepared in accordance with applicable United Kingdom Accounting Standards.

**2. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the net return on ordinary activities after tax for the period and on the weighted average number of ordinary shares in issue during the period. On 25 June 2009, the Company issued 19,018,392 ordinary shares, increasing the number of ordinary shares in issue to 32,255,627. Accordingly, the weighted average number of shares in issue for the six months ended 30 June 2009 was 13,762,605 (2008: 13,237,235).

FRS 22: "Earnings Per Share" defines dilution as a reduction in earnings per share or as an increase in loss per share. When calculating the dilutive earnings per share for the year the loss per share decreased. Accordingly the diluted loss per share is not disclosed as per FRS 22. The company has 800,000 share options in issue which could potentially dilute basic earnings per share in the future.

**3. CALLED UP SHARE CAPITAL**

On 25 June 2009, the Company issued and allotted 19,018,392 new ordinary Shares of 1 pence each ("Ordinary Shares"). 15,018,392 of the new Ordinary Shares were issued in settlement of £150,183 of outstanding debts owed by the Company and 4,000,000 of the new Ordinary Shares were issued to raise new funds for the Company totalling £40,000. Accordingly, the number of Ordinary Shares in issue at the year increased from 13,237,235 at the beginning of the period to 32, 255,627 at 30 June 2009.

**4. NET ASSET VALUE PER SHARE**

The calculation of net asset value per share is based on the net assets of £96,089 (2008: £3,597,910) and on the ordinary shares in issue of 32,255,627 at the balance sheet date (2008: 13,237,235).

The report is available to view and download from the Company's website at [www.kingswalkinvestments.com](http://www.kingswalkinvestments.com)

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