

Interim Management Statement

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Dunedin Enterprise Inv Trust PLC

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Dunedin Enterprise Investment Trust PLC (Company No SC52844) - Interim Management Statement

Dunedin Enterprise Investment Trust PLC ("Dunedin Enterprise") presents its Interim Management Statement for the period ended 30 September 2014. This is the Company's second interim management statement for the financial year to 31 December 2014, as required by the FCA Disclosure and Transparency Rule 4.3.

1. Unaudited net asset value per share

The unaudited net asset value per share at 30 September 2014 was 501.7p. This represents a decrease of 0.6% from the level at 30 June 2014.

2. Share price

The share price has decreased by 8.0% from 422.6p to 389p in the quarter to 30 September 2014. This compares to an increase in the FTSE Small Cap Index of 9.9% over the same period. The discount to net asset value at 30 September 2014 was 22.5%.

3. Balance Sheet

The unaudited balance sheet as at 30 September 2014 is noted below:-

	£'m
Investments:-	
Dunedin managed	81.2
Third party managed	14.5
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	95.7
Cash and near cash	9.4
Other assets and liabilities	(0.4)
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Total net assets	104.7
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Net asset value per share (p)	501.7
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4. Net asset value movements

The portfolio of investments has been re-valued at 30 September 2014. The decrease of £0.7m in net asset value in the quarter can be attributed to £0.1m from Dunedin managed funds and £0.6m from third party managed funds:-

- within the Dunedin managed funds there have been valuation uplifts at Weldex (£1.8m) and CitySprint (£1.6m) as a result of strong earnings growth at both companies. Weldex is experiencing higher utilisation rates for its cranes as construction activity in the UK grows. CitySprint continues to grow both organically and through acquisition.
- these have been offset by a reduction in the valuation of Hawksford (£1.2m), Red (£1.2m) and U-POL (£1.0m). Hawksford has been impacted by a lower level of fees. Red has had lower net margins in the Contract division and lower levels of activity in the Permanent division. U-POL continues to be negatively impacted by currency movements in a number of territories causing delays in payments and the placing of subsequent orders.
- the valuation of Innova has been impacted by a portfolio company suffering from delays in approval of state budgets in Romania (£0.6m)
- there have been no other material movements.

5. New investment and realisations

New investments in the quarter totalled £3.5m. The majority of new investment activity was undertaken by the two remaining European funds. Realza invested £1.7m in a leading European manufacturer and seller of water pumps for the automotive industry. Innova/5 invested £1.1m in a leading Polish manufacturer of home baking and home cooking products and ingredients. The remaining £0.7m was drawn down by limited partnership investments for operating costs.

During the quarter Trustmarque was sold to Liberata for a total consideration of £1.6m. This compares to a valuation of £1.4m at 30 June 2014. This has been an unsuccessful investment made in June 2013 at a cost of £4.3m. A change in accounting for revenue recognition at the company resulted in a material reduction in maintainable earnings.

6. Cash and Commitments

The Company had cash and near cash balances of £9.4m at 30 September 2014. The Trust has a revolving credit facility of £20m available until 27 February 2017.

As at 30 September 2014 the Company has outstanding capital commitments to limited partnership funds of £66.4m. Of this total it is forecast that only c£44m will actually be drawn over the next four years.

7. Outlook

The forecast strengthening of the UK buyout market in the second half of 2014 is not now expected to materialise until 2015. We are expecting the market for exits to be strong in 2015.

For further information on Dunedin Enterprise please go to www.dunedinenterprise.com

This information is provided by RNS
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