



BlackRock Energy and Resources Income Trust plc

Half Yearly
Financial Report
31 May 2019

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The cover photograph is of the Haapaluoma lithium pegmatite quarry in Finland.

Investment objective

The Company's objectives are to achieve an annual dividend target and, over the long term, capital growth by investing primarily in securities of companies operating in the mining and energy sectors.

aic

The Association of
Investment Companies

A member of the Association of Investment Companies

Details about the Company are available at blackrock.co.uk/beri

Performance record

Financial highlights

	31 May 2019	30 November 2018	Change %
	(unaudited)	(audited)	
Assets			
Net asset value per ordinary share (pence)	76.60	75.87	1.0
- with dividends reinvested ¹			3.6
Net assets (£'000) ²	88,539	88,109	0.5
Ordinary share price (mid-market) (pence)	70.00	70.60	-0.8
- with dividends reinvested ¹			1.9

	For the six months ended 31 May 2019	For the six months ended 31 May 2018	Change %
	(unaudited)	(unaudited)	
Revenue			
Net profit after taxation (£'000)	2,282	2,587	(11.8)
Revenue earnings per ordinary share (pence)	1.97	2.18	(9.6)
Interim dividends (pence)			
1st interim	1.00	1.00	-
2nd interim ³	1.00	1.00	-

¹ Further details of the calculation of performance with dividends reinvested are given in the Glossary on pages 48 and 49.

² The change in net assets reflects market movements, dividends paid and the buyback of shares during the period.

³ Paid on 19 July 2019.

5 year performance from 31 May 2014 to 31 May 2019



Sources: BlackRock and Datastream.

Performance figures are calculated on a mid-market basis in sterling terms, with dividends reinvested.

Share price and NAV at 31 May 2014, rebased to 100.

Performance to 31 May 2019

	Six months	One year	Five years (actual)	Five years (annualised)
Net Asset Value (with dividends reinvested) ¹	3.6%	-8.8%	-5.0%	-1.0%
Share price (with dividends reinvested) ¹	1.9%	-9.2%	-13.6%	-2.9%

¹ Further details of the calculation of performance with dividends reinvested are given in the Glossary on pages 48 and 49.

Source: BlackRock.

Chairman's statement

for the six months to 31 May 2019

Market overview

The first half of 2019 saw markets recover following the falls at the end of 2018, but returns from energy and resources stocks were mixed. The mining sector performed particularly well, with the EMIX Global Mining Index returning +12.2%, in contrast to market falls in a pressurised energy sector. The MSCI World Energy Index fell by 3.7% over the six months under review. A 50/50 reference index (being an equal split of both the EMIX Global Mining Index and the MSCI World Energy Index) returned +4.3% compared to a 2.6% return from the MSCI World All Country Index (all calculations in sterling terms with dividends reinvested).

In the mining sector, outperformance was driven by credit stimulus in China which bolstered demand, combined with the Vale tailings dam collapse in Brazil which curtailed supply. The dam tragedy resulted in more than 5% of global iron ore supply being removed from the market and the iron ore price increasing by over 40%. In the energy sector, poor performance was triggered by the significant correction in the oil price towards the end of 2018. Although the price of oil rose in the first half of 2019, this did not translate into positive performance for energy equities; the exploration and production (E&P) sector fell by almost 20% over the period despite a degree of M&A activity.

Performance

During the six months ended 31 May 2019 the Company's net asset value ('NAV') per share increased by 3.6% and its share price rose by 1.9% (both percentages in sterling terms with dividends reinvested). Although the Company does not have a formal benchmark, to set this in the context of the market backdrop, and as highlighted above, the EMIX Global Mining Index rose by 12.2% and the MSCI World Energy Index fell by 3.7% over the same period (both percentages in sterling terms with dividends reinvested). Further information on investment performance is given in the Investment Manager's Report.

Since the period end and up until close of business on 26 July 2019 the Company's NAV has increased by 9.9% and the share price has risen by 7.6% (with dividends reinvested).

Revenue return and dividends

Revenue return per share for the six-month period was 1.97 pence (six months to 31 May 2018: 2.18 pence). The Board's current target is to declare quarterly dividends of at least 1.00 pence per share in the year to 30 November 2019, making a total of at least 4.00 pence for the year as a whole. This target represents a yield of 5.4% based on the share price of 74.30 pence per share as at the close of business on 26 July 2019.

The first quarterly dividend of 1.00 pence per share was paid on 18 April 2019 and the second quarterly dividend of 1.00 pence per share was paid on 19 July 2019 (four quarterly interim dividends each of 1.00 pence per share were paid in the twelve months ended 30 November 2018).

Gearing

The Company operates a flexible gearing policy which depends on prevailing market conditions. It is not intended that gearing will exceed 20% of the gross assets of the Company. The maximum gearing used during the period was 10.8%, and the level of gearing at 31 May 2019 was 6.6%. For calculations, see the Glossary on page 46.

Change of name

As announced on 13 May 2019, the Company changed its name to BlackRock Energy and Resources Income Trust plc. The Board believes that the new name better reflects the fact that the Company predominantly invests in energy and mining equities as opposed to commodities. The name change also reflects the portfolio having exposure to companies expected to benefit from the move towards a lower carbon global economy. There will be no change to the investment philosophy, investment process or management of the Company. More details can be found on the Company's website at www.blackrock.com/uk/beri.

Share capital and discount control

The Directors recognise the importance to investors that the Company's share price should not trade at a significant premium or discount to NAV, and therefore, in normal market conditions, may use the Company's share buyback, sale of shares from treasury and share issue powers to ensure that the share price is broadly in line with the underlying NAV. The Company currently has authority to buy back up to 14.99% of the Company's issued share capital (excluding treasury shares) and to allot ordinary shares representing up to 10% of the Company's issued ordinary share capital.

Over the six months to 31 May 2019, the Company's shares have traded at an average discount of 5.7%, and at a range of a 1.5% premium to a 10.2% discount. The discount widened notably after the end of April, coinciding with a difficult period for NAV performance. In response to this the Company bought back a total of 546,272 ordinary shares in May 2019 at an average price of 71.17 pence per share, for a total consideration of £389,000 and at an average discount of 10.1%. These shares were placed in treasury for potential reissue, thereby saving the associated costs of an issue of new shares if demand arose, as it has done previously in March 2018. Subsequent to the year end, a further 863,728 ordinary shares have been purchased at an average price of 72.29 pence per share and for total consideration of £624,000 at an average discount of 10.6%.

Chairman's statement continued

Market outlook and portfolio positioning

Market concerns over global economic growth and escalating trade tensions have created a challenging backdrop for the energy and mining sectors. Yet despite this, many mining and energy companies (particularly the larger capitalisation companies) represent a compelling investment opportunity, with high free cash flow yields and strong and well financed balance sheets. In the mining sector, the significant decline in capital expenditure in recent years has led to restricted supply which in turn has helped to push up prices and boost performance.

The Company's portfolio is focussed on these larger capitalisation, established companies. In addition, the Manager is seeking to enhance the growth element of the portfolio through selective investments in companies that are exposed to the energy transition and the decarbonisation of the energy supply chain, where the Manager believes that the long term prospects are compelling.

ED WARNER

29 July 2019

Investment manager's report

Market overview

Following a broad sell-off across markets at the end of 2018, we are pleased to report a recovery in the sector during the first half of 2019, resulting in a 3.6% increase in the NAV of the Company during the period (in sterling terms with dividends reinvested). The mining sector outperformed global markets and returned +10.8% in US Dollar terms (12.2% in sterling terms). However, the energy sector came under pressure, falling by 4.9% in US Dollar terms (3.7% in sterling terms) (all calculations with dividends reinvested).

It was a volatile period for global equity markets which recovered from the late 2018 sell-off, to subsequently fall at the end of the period as US/China trade tensions resurfaced. In response to weakening global growth, Central Banks have adopted a looser monetary policy stance, with the US Federal Reserve now widely expected to cut interest rates in 2019, having raised them in 2018. The European Central Bank has also indicated that it is prepared to cut rates further to support weakening growth and this action buoyed markets after the reporting period in June.

As discussed in the 2018 Annual Report, the oil market saw its most significant correction since 2016 with the oil price falling by 30% between October and November 2018. We were encouraged to see prices rebound during the first half of 2019, with the Brent and West Texas Intermediate (WTI) oil prices increasing by 15.5% and 5.3% respectively. This was a direct result of the Organisation of the Petroleum Exporting Countries (OPEC) removing 1.2 million barrels per day (bpd) from the oil market, heightened geopolitical risk in Venezuela and Libya and Iran waivers not being renewed. Unfortunately, this oil price rally did not translate into positive performance for the energy equities and we had looked to take advantage of this towards the end of the period.

Outperformance of the mining sector was driven by two key factors in the first half of 2019. The first was a significant credit stimulus in China with a focus on infrastructure in direct response to weakening growth in the country. The second was the tragic tailings dam incident in Brazil. These events drove a strong rally in the sector through to end April, particularly the iron ore exposed large diversified miners, which look set to deliver another strong year of earnings. As we approached the end of the half year period we saw some selling across the sector, particularly the copper equities, with US/China trade tensions escalating again.

Investment manager's report continued

Commodity	31 May 2019	30 November 2018	% change	2019 on 2018 Avg Price % change (Avg of 31/05/17-31/05/18 to 31/05/18-31/05/19)
Base Metals (US\$/tonne)				
Aluminium	1,773	1,957	-9.4	-15.0
Copper	5,806	6,227	-6.8	-10.2
Lead	1,795	1,961	-8.5	-20.0
Nickel	11,972	11,136	7.5	-8.7
Tin	18,825	18,398	2.3	-2.3
Zinc	2,668	2,655	0.5	-16.6
Precious Metals (US\$/oz)				
Gold	1,300.1	1,219.2	6.6	-2.0
Silver	14.6	14.2	2.8	-8.4
Platinum	791.0	805.0	-1.7	-12.1
Palladium	1,370.0	1,205.0	13.7	35.8
Energy				
Oil (WTI) (US\$/Bbl)	53.5	50.8	5.3	-11.8
Oil (Brent) (US\$/Bbl)	66.5	57.5	15.7	-6.3
Natural Gas (US\$/MMBTU)	2.6	4.6	-43.5	1.7
Uranium (US\$/lb)	24.1	29.1	-17.2	21.7
Bulk Commodities (US\$/tonne)				
Iron ore	105.5	65.0	62.3	20.0
Coking coal*	260.0	314.0	-17.2	-15.1
Thermal coal	75.8	102.9	-26.3	-7.6
Equity Indices				
EMIX Global Mining Index (net return) (US\$)	728.3	657.0	10.8	n/a
EMIX Global Mining Index (net return) (£)	577.8	515.0	12.2	n/a
MSCI World Energy Index (net return) (US\$)	302.2	317.7	-4.9	n/a
MSCI World Energy Index (net return) (£)	239.8	249.0	-3.7	n/a

Source: Datastream.

* Source: Macquarie.

Portfolio activity and investment performance

Following the significant sell-off across the sector at the end of 2018, we increased gearing in the portfolio at the beginning of 2019, with a bias towards mining stocks given our expectation of stimulus being announced in China, as well as a strong reporting season for the diversified miners. This proved to be beneficial with the mining sector +17% (in sterling terms) through to the end of March, strongly outperforming a broadly flat energy sector. In addition, to the strong share price performance of mining equities over this period, the portfolio's income also benefited from increased positions in BHP and Rio Tinto over this period who both announced record dividends in February.

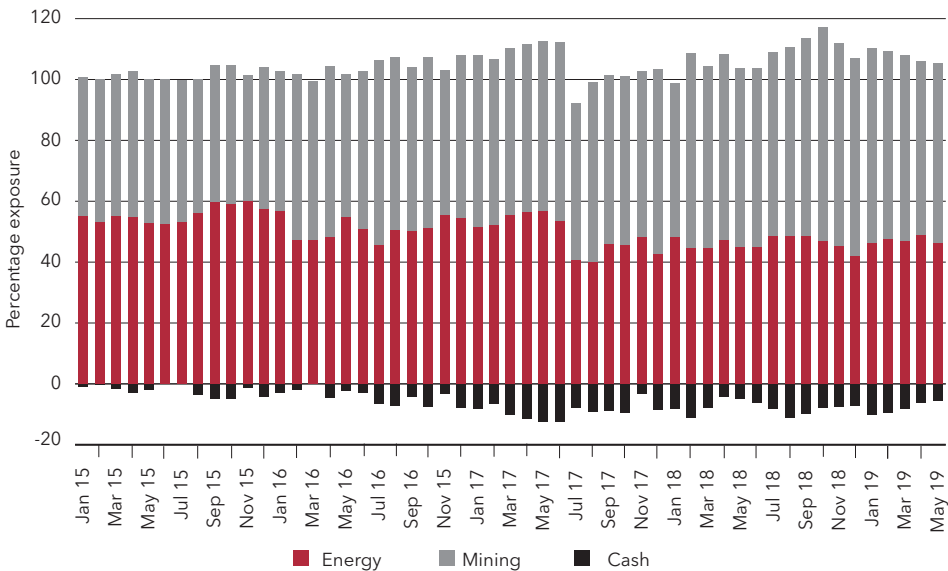
As US/China trade tensions begun to re-emerge towards the end of April, we chose to cut some of the mining exposure, particularly among the more economically sensitive copper equities, and reduced gearing across the portfolio. In addition, we selectively increased our exposure to a number of energy equities, with the oil market beginning to tighten. In addition, to adding to our preferred integrated oil & gas names, we also increased our exposure to some higher quality E&P's that had significantly de-rated against the rising oil price over the period. This proved to be beneficial for the portfolio, with one of our core E&P holdings, Anadarko Petroleum bid for during the period, which subsequently re-rated the entire E&P sector.

As we approached the end of the period, we looked to further increase the portfolio's gold exposure following the dovish move from the US Federal Reserve and an expectation of rate cuts across all major G10 economies in 2019. In June the gold price rose 8.5% (US Dollar terms) with the FTSE Gold Mines Index +20%.

The Company has delivered a NAV total return of +3.6% over the six month period to end May 2019. Over the same time period, the 50/50 reference index, which is an equal split of both the EMIX Global Mining Index and the MSCI World Energy Index, returned +4.3%. The Company outperformed world markets during the period, as displayed by the FTSE All Share Index, which returned +2.6% (in sterling terms with dividends reinvested).

Investment manager's report continued

Sub-sector positioning



Source: BlackRock, May 2019.

Income

During the first half of 2019 the Company generated £2.8 million in gross income. This enabled a dividend payment of 1.00 pence per share for the first and second quarters, a total of 2.00 pence per share for the interim period.

Over the last twelve months, the Company's income has benefited from the ongoing depreciation of sterling against the US Dollar. While this wasn't a significant tailwind during the first half of 2019, the pound has remained at relatively low levels against the US dollar, benefitting the Company's dividend, as the majority of the portfolio's income is paid in US dollars.

During the first half of 2019 we have continued to see strong cash flow and dividends from the mining sector, a direct outcome of improved capital discipline across the space. BHP and Rio Tinto announced record dividends at the beginning of the year a combination of strong underlying cash generation and asset sales in 2018. As we look into the second half of the year, we continue to remain positive on the outlook for dividends particularly for the iron ore exposed diversified miners given the rally in iron

ore prices year-to-date. With mining company balance sheets strong, limited capital investment into growth and high cash generation in the sector we remain positive on the outlook for dividends into the second half of the year.

The decline in oil prices towards the end of last year set a more cautious tone for dividends for the energy sector in 2019. While the large integrated oil and gas companies continue to focus on dividends and buybacks, dividend expectations have reduced across the sector versus one year ago given the decline in the oil price. Despite the absolute level of dividends reducing, we continue to see the oil and gas sector as offering an attractive dividend and free cash flow yield relative to the market and their own history. Given the strengthening in balance sheets across the energy sector should we see a move up in oil prices we would expect this to translate into higher dividends as opposed to debt reduction and reinvestment in growth.

Energy

The first half of 2019 provided a welcome rally for oil prices after the sharp declines during the fourth quarter of last year. The turnaround was catalysed by the agreement at the December OPEC meeting to reduce its output by 1.2m bpd. As can be seen in the chart on the next page, this tightened the physical oil market with the market returning to backwardation and oil prices rising. This positive momentum was supported through the first half of 2019 by continued compliance to the cuts by OPEC members and the US announcing sanctions on Venezuelan oil. There was also incremental support from a surprising announcement by the Government of Alberta (Canada) who curtailed oil production by over 0.3m bpd. This was an attempt to reduce excess inventories of Canadian crude oil that was trading at a very large discount to global oil prices due to the lack of available infrastructure to transport it from the Canadian oilfields to export hubs.

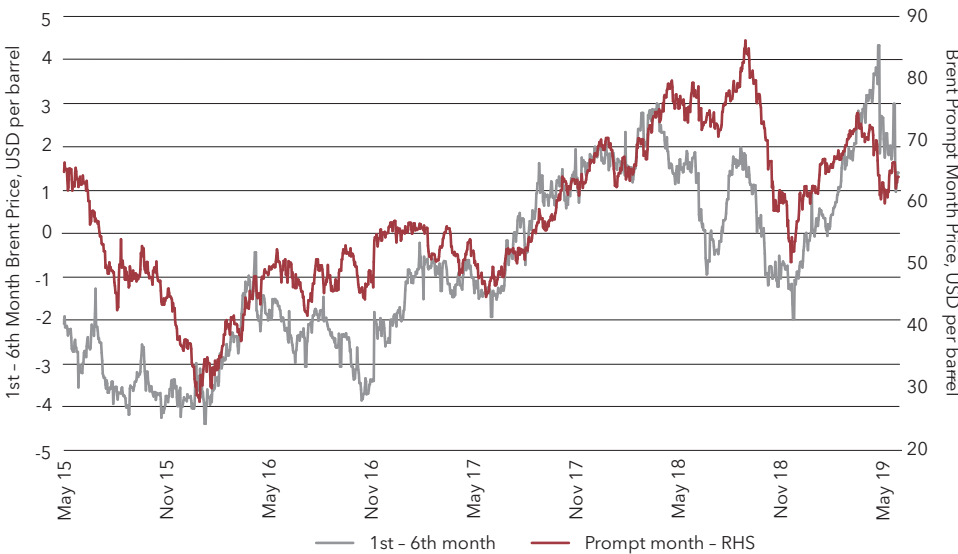
Despite the positive trends in the underlying oil market, the E&P companies, which typically have a higher sensitivity to oil prices than the integrated majors, continued to underperform. The E&P sector fell by almost 20% over the period despite the positive move in the oil price and the continued de-rating of this part of the market is a key reason why we have shifted the portfolio towards integrated companies. We have retained some E&P exposure but have focused it into the core areas of the US shale industry as we believe that significant long-term value exists. Evidence of deep value beginning to emerge happened in early 2019 when a bidding war erupted for Anadarko Petroleum, which held core ground in the US shale plays. The portfolio had a position in Anadarko Petroleum, which was positive for performance during the period.

The rhetoric of capital discipline across the energy sector appears to be holding but in an equity market where investors have a strong preference for growth companies, deep value sectors such as energy continue to be largely ignored. It is important that

Investment manager's report continued

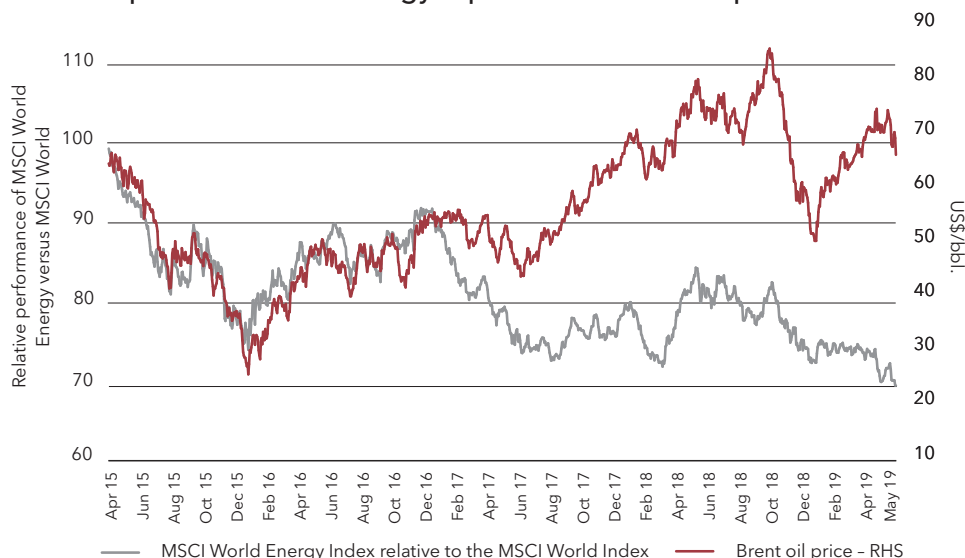
the companies do not get disheartened by this lack of market appreciation of their pivot to value over volume – it took several years for the larger mining companies to start to be rewarded by the market. We will be swift to exit any companies that drift from this shareholder value focus and continue to concentrate the portfolio into the companies we view as highest quality.

Structure of the Brent Futures curve



Source: Bloomberg, April 2019.

Relative performance of energy equities versus the oil price



Source: Datastream, May 2019.

Mining

The mining sector started the year strongly benefitting from two key events. First, the significant credit stimulus announced in China with Total Social Financing (the best measure of aggregate liquidity in a country) +40% in the first quarter of 2019 vs the first quarter of 2018. Much of this stimulus has been focused on fixed asset investment with infrastructure investment forecast to be +10% year-on-year in China underpinning steel demand in the country. As we look towards the remainder of the year, we expect credit conditions in China to remain supportive for commodity demand, with further stimulus to be potentially announced if US/China trade negotiations worsen to support the domestic economy.

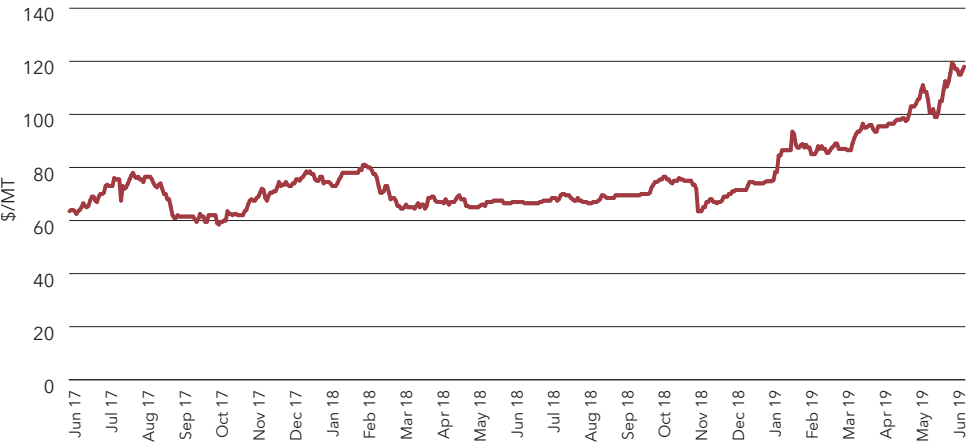
The second key event, a supply shock, was the tragic tailings dam incident at Vale's operations which resulted in more than 300 fatalities and in excess of 5% of iron ore production lost from the global seaborne market. This, in conjunction with an elevated cyclone season in Western Australia and strong steel demand in China, has seen the iron ore price rally over 60% during the interim period. Vale is guiding to 2-3 years before production to previous levels can be restored, which is likely to keep the iron ore market tight over this period, a supportive back drop for the iron ore exposed diversified miners who are currently generating record levels of free cash flow.

Investment manager's report continued

While the bulk commodities (iron ore and coking coal) traded strongly during the first half of the year, the more economically sensitive base metals came under pressure. We have seen significant volatility among the base metals with prices generally performing well at the beginning of the year following China's stimulus and progress on trade, only to subsequently give back all, and in some cases more than, these gains as US/China trade tensions escalated with additional tariffs imposed in May. Although global growth sentiment was the key driver of prices in the first half of 2019, we are encouraged by the underlying supply and demand dynamics of the markets which have generally tightened over the period, with the base metals well positioned to outperform should we see a resolution on trade and improved global growth sentiment.

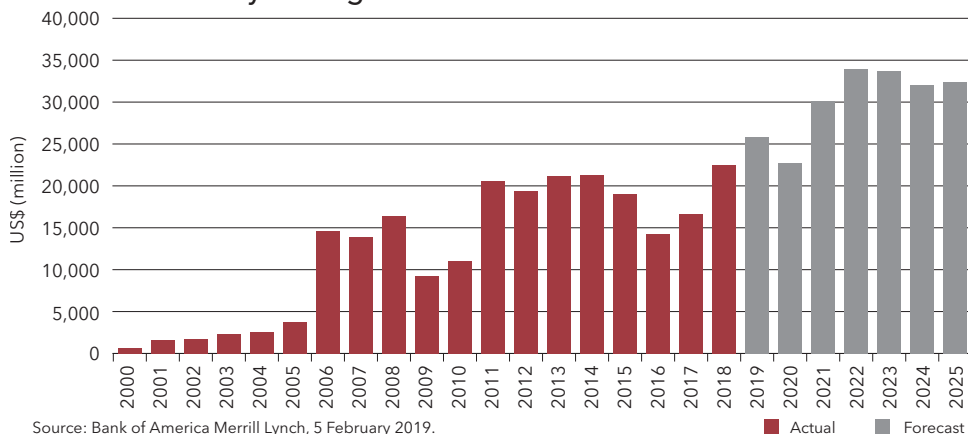
Over the last three years we have discussed at length the need for, and improvement in, capital discipline across the mining sector. During the first half of 2019, the sector has continued to deliver in line with this strategy with companies focused on strengthening balance sheets and returning cash to shareholders, as opposed to reinvesting in growth unless the returns are sufficiently compelling to justify it. The mining sector is now generating record levels of free cash flow, with the second strongest balance sheet globally. Nevertheless it is trading at historically depressed multiples. We continue to find this valuation discount attractive and maintain the view that ongoing delivery of this strategy will drive a re-rating of the sector in time.

Iron Ore Price (Fe 62%, FOB)



Source: Datastream, 2 July 2019.

Dividends and buybacks growth for the sector



Market outlook and portfolio positioning

The energy and mining sectors will likely continue to be buffeted by the ever changing sentiment towards trade disputes and of course market sentiment towards the global growth environment. However when we take a step back from this short term noise, both sectors are supported by some of the most attractive company fundamentals in recent years. Management teams remain very shareholder focused, which is reflected in the high propensity to return cash via dividends and buybacks. Valuations, especially for the larger market capitalisation companies, remain attractive in terms of free cash flow yields and balance sheets are as strong as at any time in the last decade for the mining sector. Finally the commodity markets remain tight on the mining side given the significant decline in capital expenditure over the last 5 years, meaning any disruption to supply is resulting in meaningful upside in commodity prices – iron ore in the first half of this year being the most recent example of this.

These compelling fundamentals for the larger companies combined with our lack of risk appetite for smaller cap or riskier growth companies means we continue to focus the portfolio on the major, established producers. We are looking to add the growth element of the portfolio with selective investments in companies that are exposed to the energy transition. Whilst this part of the portfolio has been disappointing in terms of share price performance in the first half of 2019, our high conviction in the long term outlook for the areas exposed to the decarbonisation of the energy supply chain has not been undermined by short-term market volatility.

OLIVIA MARKHAM AND TOM HOLL

BlackRock Investment Management (UK) Limited

29 July 2019

Ten largest investments

as at 31 May 2019

BHP: 7.6% (2018: 9.1%) is the world's largest diversified natural resources company. The company is a major producer of aluminium, iron ore, copper, thermal and metallurgical coal, manganese, uranium, nickel, silver, titanium minerals and diamonds. The company also has significant interests in oil, gas and liquefied natural gas. (MSCI ESG Rating: BBB)

First Quantum Minerals: 7.1%¹ (2018: 7.2%) is an established and rapidly growing mining company operating seven mines and developing five projects worldwide. The company is a significant copper producer and also produces nickel, gold, zinc and platinum group elements. (MSCI ESG Rating: BB)

Royal Dutch Shell "B": 7.1% (2018: 6.8%) is one of the world's leading energy companies. The Anglo-Dutch company is active in every area of the oil and gas industry within exploration and production, refining and marketing, power generation and energy trading. The company also has renewable energy interests in biofuels. (MSCI ESG Rating: BBB)

BP Group: 5.7% (2018: 4.5%) is a global energy business with operations in 78 countries worldwide, including Europe, North and South America, Australasia, Asia and Africa. The company finds and produces oil and gas on land and offshore, moves energy around the globe and manufactures and market fuels and raw materials used in thousands of everyday products, from mobile phones to food packaging. (MSCI ESG Rating: BBB)

Rio Tinto: 4.9% (2018: 6.5%) is one of the world's leading mining companies. The company's primary production is iron ore, but it also produces aluminium, copper, diamonds, gold, industrial minerals and energy products. (MSCI ESG Rating: A)

Chevron: 4.9% (2018: 4.9%) is an integrated oil and gas producer engaged in all aspects of the oil and gas industry. The company has both upstream and downstream operations, as well as alternative energy operations including solar, wind and biofuels. (MSCI ESG Rating: BB)

ExxonMobil: 4.7% (2018: 5.2%) is the world's largest publicly traded international oil and gas company and the largest refiner and marketer of petroleum products. (MSCI ESG Rating: BBB)

Barrick Gold: 4.0% (2018: 0.9%²) is a company formed from the merger of Barrick Gold and Randgold Resources in January 2019. The merger created a sector-leading gold company which owns five of the industry's Top 10 Tier One gold assets and two with the potential to become Tier One gold assets. Barrick has mining operations and projects in 15 countries. (MSCI ESG Rating: BB)

¹ 5.4% relates to fixed interest holdings in First Quantum Minerals.

² Excludes a 1.3% in holding Randgold Resources as at 30 November 2018. Randgold Resources and Barrick Gold merged in early 2019.

Newmont Mining: 3.7% (2018: 1.1%) is the only gold producer listed in the S&P 500 Index. The company has approximately 19,000 employees and 18,000 contractors, with the majority working at managed operations in Australia, Canada, Ghana, Peru, Suriname, Mexico, Argentina, Dominican Republic and the United States. The company has a commitment to sustainable and responsible mining and has been named the mining industry leader in overall sustainability by the Dow Jones Sustainability World Index in 2015, 2016, 2017 and 2018. (MSCI ESG Rating: A)

Vale: 3.1% (2018: 3.7%) is one of the largest mining companies in the world, with operations in 30 countries. Vale is the world's largest producer of iron ore and iron ore pellets, and the world's largest producer of nickel. The company also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals, gold, silver, cobalt, potash, phosphates and other fertiliser nutrients. (MSCI ESG Rating: CCC)

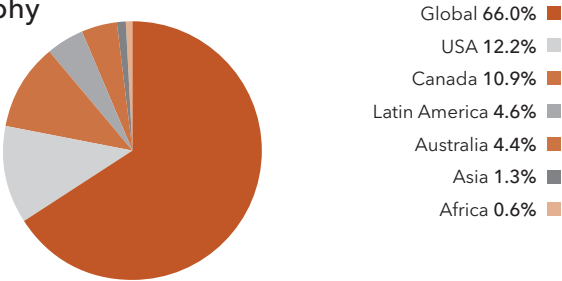
All percentages reflect the value of the holding as a percentage of total investments. For this purpose where more than one class of securities is held, these have been aggregated. The percentages in brackets represent the value of the holding as at 30 November 2018. Together, the ten largest investments represent 52.8% of total investments (ten largest investments as at 30 November 2018: 56.0%).

MSCI ESG ratings look to identify environmental, social and governance risks and opportunities for individual stocks. Companies are rated on a scale from AAA to CCC according to their exposure to certain risks and their ability to manage them relative to the industry peers. A stock rated as AAA signifies a company which is leading in terms of ESG factors relative to its industry. On the other hand, a stock with a CCC score is considered a laggard, due to the presence of one or more ESG risks that MSCI perceives to be material. The rating scale is as follows: AAA, AA, A, BBB, BB, B, CCC. From AAA to AA a company is considered to be an ESG leader in its respective industry, A to BB is deemed to be an average score, whilst B and CCC represents a below average score.

Distribution of investments

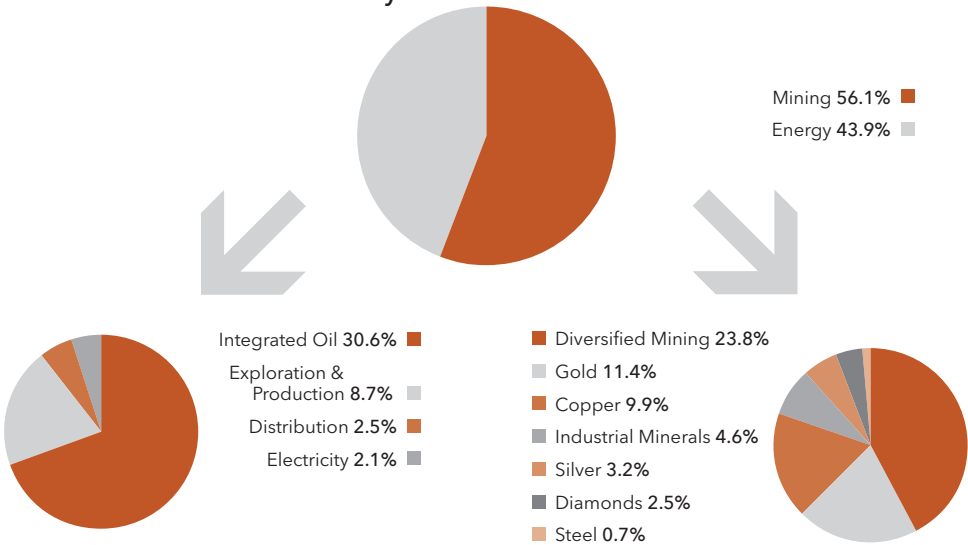
as at 31 May 2019

Asset allocation - Geography



Source: BlackRock.

Asset allocation - Commodity



Source: BlackRock.

Investments

as at 31 May 2019

	Main geographic exposure	Market value	% of investments
		£'000	
Integrated Oil			
Royal Dutch Shell "B"	Global	6,657	7.1
BP Group	Global	5,364	5.7
Chevron	Global	4,588	4.9
Exxon Mobil	Global	4,428	4.7
Suncor Energy	Canada	2,502	2.7
ConocoPhillips	USA	2,010	2.1
Marathon Petroleum	USA	1,996	2.1
Total	Global	1,259	1.3
		28,804	30.6
Diversified Mining			
BHP	Global	7,127	7.6
Rio Tinto	Global	4,606	4.9
Vale	Latin America	2,972	3.1
Teck Resources	Canada	2,561	2.7
Glencore	Global	2,366	2.5
South32	Global	1,655	1.8
KAZ Minerals	Asia	1,227	1.3
Glencore Call Option 21/06/19 £2.8	Global	(3)	-
Anglo American Put Option 21/06/19 £19.2	Global	(106)	(0.1)
		22,405	23.8

Investments continued

as at 31 May 2019

	Main geographic exposure	Market value	% of investments
		£'000	
Gold			
Barrick Gold	Global	3,772	4.0
Newmont Mining	Global	3,526	3.7
Agnico Eagle Mines	Canada	1,605	1.7
Franco-Nevada	Global	1,495	1.6
Osisko Gold Royalties Convertible Bond 4% 31/12/22	Canada	422	0.4
		10,820	11.4
Copper			
First Quantum Minerals 7.25% 15/05/22	Global	3,627	3.8
First Quantum Minerals	Global	1,608	1.7
First Quantum Minerals 6.875% 01/03/26	Global	932	1.0
First Quantum Minerals 7.5% 01/04/25	Global	327	0.3
First Quantum Minerals 7.25% 01/04/23	Global	323	0.3
OZ Minerals	Australia	1,656	1.8
Lundin Mining	Global	995	1.1
Antofagasta Put Option 21/06/19 £8.2	Global	(94)	(0.1)
		9,374	9.9

	Main geographic exposure	Market value	% of investments
		£'000	
Exploration & Production			
Concho Resources	USA	2,162	2.3
EOG Resources	USA	1,958	2.1
Anadarko Petroleum	USA	1,568	1.6
Marathon Oil	Global	1,044	1.1
Kosmos Energy	USA	911	1.0
Noble Energy	Global	542	0.6
		8,185	8.7
Industrial Minerals			
Pilgangoora 12% 21/06/22	Australia	1,761	1.9
Albemarle	Global	1,722	1.8
Umicore	Global	821	0.9
		4,304	4.6
Silver			
Wheaton Precious Metals	Global	1,619	1.7
Fresnillo	Latin America	1,393	1.5
		3,012	3.2
Diamonds			
Mountain Province Diamonds 8% 15/12/22	Canada	1,794	1.9
Petra Diamonds 7.25% 01/05/22	Africa	577	0.6
		2,371	2.5

Investments continued

as at 31 May 2019

	Main geographic exposure	Market value	% of investments
		£'000	
Distribution			
TC Energy Corporation	Canada	1,390	1.5
Williams Companies	USA	904	1.0
		2,294	2.5
Electricity			
Enel	Global	1,952	2.1
		1,952	2.1
Steel			
Coronado Global Resources	Australia	699	0.7
		699	0.7
Portfolio		94,220	100.0
Comprising			
Equity and debt investments		94,423	100.2
Derivative financial instruments – written options		(203)	(0.2)
		94,220	100.0

All investments are ordinary shares unless otherwise stated. The total number of holdings (including options) at 31 May 2019 was 47 (30 November 2018: 56).

The total number of open options as at 31 May 2019 was 3 (30 November 2018: 10).

The negative valuations of £203,000 (30 November 2018: £682,000) in respect of options held represent the notional cost of repurchasing the contracts at market prices as at 31 May 2019.

As at 31 May 2019, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim management report and responsibility statement

The Chairman's Statement on pages 4 to 6 and the Investment Manager's Report on pages 7 to 15 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Performance;
- Income/dividend;
- Gearing;
- Legal and regulatory compliance;
- Operational;
- Market; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 30 November 2018. These risks were expanded to include within the market risk section the risk that companies operating within the sectors in which the Company invests may be impacted by new legislation governing climate change and environmental issues, which may have a negative impact on their valuation and share price. A detailed explanation can be found in the Strategic Report on pages 27 to 33 and in note 16 on pages 76 to 88 of the Annual Report and Financial Statements which are available on the website at blackrock.co.uk/beri.

In the view of the Board, there have not been any other changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Ongoing charges (excluding transaction costs, interest costs and taxation) for the year ended 30 November 2018 were approximately 1.39% of net assets.

Interim management report and responsibility statement continued

Related party disclosure and transactions with the Investment Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has, with the Company's consent, delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management fee payable are set out in note 4 on page 31 and note 11 on page 40. The related party transactions with the Directors are set out in note 12 on pages 40 and 41.

Directors' responsibility statement

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting"; and
- the Interim Management Report together with the Chairman's Statement and Investment Manager's Report include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

This half yearly report has not been audited or reviewed by the Company's Auditor. The half yearly financial report was approved by the Board on 29 July 2019 and the above responsibility statement was signed on its behalf by the Chairman.

ED WARNER

For and on behalf of the Board
29 July 2019

Consolidated statement of comprehensive income

for the six months ended 31 May 2019

	Notes	Revenue £'000			Capital £'000			Total £'000		
		Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
		31.05.19 (unaudited)	31.05.18 (unaudited)	30.11.18 (audited)	31.05.19 (unaudited)	31.05.18 (unaudited)	30.11.18 (audited)	31.05.19 (unaudited)	31.05.18 (unaudited)	30.11.18 (audited)
Income from investments held at fair value through profit or loss	3	2,154	1,970	4,038	-	-	-	2,154	1,970	4,038
Other income	3	671	1,206	2,323	-	-	-	671	1,206	2,323
Total income		2,825	3,176	6,361	-	-	-	2,825	3,176	6,361
Net profit/(loss) on investments and options held at fair value through profit or loss										
Net profit on foreign exchange		-	-	-	1,215	13,662	(717)	1,215	13,662	(717)
Total		2,825	3,176	6,361	1,251	13,686	(687)	4,076	16,862	5,674
Expenses										
Investment management fees	4	(116)	(126)	(250)	(348)	(379)	(750)	(464)	(505)	(1,000)
Other operating expenses	5	(199)	(167)	(343)	(1)	(2)	(3)	(200)	(169)	(346)
Total operating expenses		(315)	(293)	(593)	(349)	(381)	(753)	(664)	(674)	(1,346)
Net profit/(loss) on ordinary activities before finance costs and taxation		2,510	2,883	5,768	902	13,305	(1,440)	3,412	16,188	4,328
Finance costs	6	(23)	(18)	(37)	(67)	(53)	(109)	(90)	(71)	(146)
Net profit/(loss) on ordinary activities before taxation		2,487	2,865	5,731	835	13,252	(1,549)	3,322	16,117	4,182
Taxation		(205)	(278)	(586)	27	24	63	(178)	(254)	(523)
Profit/(loss) for the period	8	2,282	2,587	5,145	862	13,276	(1,486)	3,144	15,863	3,659
Earnings/(loss) per ordinary share (pence)	8	1.97	2.18	4.37	0.74	11.18	(1.26)	2.71	13.36	3.11

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Group.

The net profit/(loss) for the period disclosed above represents the Group's total comprehensive income/(loss). The Group does not have any other comprehensive income.

Consolidated statement of changes in equity

for the six months ended 31 May 2019

	Notes	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended 31 May 2019 (unaudited)							
At 30 November 2018		1,190	46,977	68,873	(32,880)	3,949	88,109
Total comprehensive income:							
Net profit for the period		-	-	-	862	2,282	3,144
Transactions with owners, recorded directly to equity:							
Ordinary shares purchased into treasury	9	-	-	(389)	-	-	(389)
Share purchase costs		-	-	(3)	-	-	(3)
Dividends paid ^(a)	7	-	-	(232)	-	(2,090)	(2,322)
At 31 May 2019		1,190	46,977	68,249	(32,018)	4,141	88,539
For the six months ended 31 May 2018 (unaudited)							
At 30 November 2017		1,188	46,827	71,223	(31,394)	3,513	91,357
Total comprehensive income:							
Net profit for the period		-	-	-	13,276	2,587	15,863
Transactions with owners, recorded directly to equity:							
Share issues	9	2	150	-	-	-	152
Ordinary shares purchased into treasury	9	-	-	(732)	-	-	(732)
Ordinary shares reissued from treasury	9	-	-	40	-	-	40
Share purchase costs		-	-	(4)	-	-	(4)
Dividends paid ^(b)	7	-	-	-	-	(2,378)	(2,378)
At 31 May 2018		1,190	46,977	70,527	(18,118)	3,722	104,298
For the year ended 30 November 2018 (audited)							
At 30 November 2017		1,188	46,827	71,223	(31,394)	3,513	91,357
Total comprehensive income:							
Net (loss)/profit for the year		-	-	-	(1,486)	5,145	3,659
Transactions with owners, recorded directly to equity:							
Share issues	9	2	150	-	-	-	152
Ordinary shares purchased into treasury	9	-	-	(2,373)	-	-	(2,373)
Ordinary shares reissued from treasury	9	-	-	40	-	-	40
Share purchase costs		-	-	(17)	-	-	(17)
Dividends paid ^(c)	7	-	-	-	-	(4,709)	(4,709)
At 30 November 2018		1,190	46,977	68,873	(32,880)	3,949	88,109

^(a) 4th interim dividend of 1.00p per share for the year ended 30 November 2018, declared on 11 December 2018 and paid on 18 January 2019 and 1st interim dividend of 1.00p per share for the year ended 30 November 2019, declared on 12 March 2019 and paid on 18 April 2019.

^(b) 4th interim dividend of 1.00p per share for the year ended 30 November 2017, declared on 11 December 2017 and paid on 19 January 2018 and 1st interim dividend of 1.00p per share for the year ended 30 November 2018, declared on 13 March 2018 and paid on 20 April 2018.

^(c) 4th interim dividend of 1.00p per share for the year ended 30 November 2017, declared on 11 December 2017 and paid on 19 January 2018, 1st interim dividend of 1.00p per share for the year ended 30 November 2018, declared on 13 March 2018 and paid on 20 April 2018, 2nd interim dividend of 1.00p per share for the year ended 30 November 2018, declared on 13 June 2018 and paid on 20 July 2018 and 3rd interim dividend of 1.00p per share for the year ended 30 November 2018, declared on 18 September 2018 and paid on 23 October 2018.

The transaction costs relating to the acquisition and disposal of investments amounted to £23,000 and £8,000 respectively for the six months ended 31 May 2019 (six months ended 31 May 2018: £43,000 and £3,000; year ended 30 November 2018: £81,000 and £18,000). All transaction costs have been included within the capital reserve.

The share premium account is not a distributable profit under the Companies Act 2006. The special reserve may be used as distributable profits for all purposes and, in particular, for the repurchase by the Group of its ordinary shares and for payment as dividends.

Consolidated statement of financial position

as at 31 May 2019

	Notes	31 May 2019	31 May 2018	30 November 2018
		£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Non current assets				
Investments held at fair value through profit or loss	10	94,423	109,392	94,815
Current assets				
Other receivables		5,017	453	474
Cash collateral held with brokers		634	939	2,013
Cash and cash equivalents		-	10	29
		5,651	1,402	2,516
Total assets		100,074	110,794	97,331
Current liabilities				
Other payables		(742)	(1,019)	(822)
Derivative financial liabilities held at fair value through profit or loss	10	(203)	(208)	(682)
Bank overdraft		(10,590)	(5,269)	(7,718)
		(11,535)	(6,496)	(9,222)
Net assets		88,539	104,298	88,109
Equity attributable to equity holders				
Called up share capital	9	1,190	1,190	1,190
Share premium account		46,977	46,977	46,977
Special reserve		68,249	70,527	68,873
Capital reserve		(32,018)	(18,118)	(32,880)
Revenue reserve		4,141	3,722	3,949
Total equity		88,539	104,298	88,109
Net asset value per ordinary share (pence)	8	76.60	88.28	75.87

Consolidated cash flow statement

for the six months ended 31 May 2019

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Operating activities:			
Net profit on ordinary activities before taxation	3,322	16,117	4,182
Add back finance costs	90	71	146
Net (profit)/loss on investments and options held at fair value through profit or loss (including transaction costs)	(1,215)	(13,662)	717
Net profit on foreign exchange	(36)	(24)	(30)
Sales of investments held at fair value through profit or loss	25,933	17,369	34,333
Purchases of investments held at fair value through profit or loss	(24,804)	(18,385)	(34,678)
(Increase)/decrease in other receivables	(36)	36	(83)
Increase in other payables	35	285	74
(Increase)/decrease in amounts due from brokers	(4,507)	1,568	1,568
Net movement in cash collateral held with brokers	1,379	10	(1,064)
Net cash inflow from operating activities before taxation	161	3,385	5,165
Taxation paid	(191)	(229)	(397)
Taxation on investment income included within gross income	(103)	(78)	(66)
Net cash (outflow)/inflow from operating activities	(133)	3,078	4,702
Financing activities			
Interest paid	(90)	(71)	(146)
Proceeds from share issues	-	192	192
Payments for share purchases	(389)	(732)	(2,373)
Share purchase costs paid	(3)	(4)	(17)
Dividends paid	(2,322)	(2,378)	(4,709)
Net cash outflow from financing activities	(2,804)	(2,993)	(7,053)
(Decrease)/increase in cash and cash equivalents	(2,937)	85	(2,351)
Effect of foreign exchange rate changes	36	24	30
Change in cash and cash equivalents	(2,901)	109	(2,321)
Cash and cash equivalents at start of period	(7,689)	(5,368)	(5,368)
Cash and cash equivalents at end of period	(10,590)	(5,259)	(7,689)
Comprised of:			
Cash at bank	-	10	29
Bank overdraft	(10,590)	(5,269)	(7,718)
	(10,590)	(5,259)	(7,689)

Notes to the financial statements

for the six months ended 31 May 2019

1. Principal activity

The principal activity of the Company (formerly known as BlackRock Commodities Income Investment Trust plc), is that of an investment trust company within the meaning of sections 1158 of the Corporation Tax Act 2010.

The principal activity of the subsidiary, BlackRock Energy and Resources Securities Income Company Limited (formerly known as BlackRock Commodities Securities Income Company Limited), is investment dealing and options writing.

2. Basis of preparation

The half yearly financial statements have been prepared using the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 30 November 2018 (which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and as applied in accordance with the provisions of the Companies Act 2006) and in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts issued by the Association of Investment Companies (AIC), revised in November 2014 and updated in January 2017 and February 2018 is compatible with IFRS, the financial statements have been prepared in accordance with guidance set out in the SORP.

The taxation charge has been calculated by applying an estimate of the annual effective tax rate to any profit for the period.

Adoption of new and amended standards and interpretations

IFRS 9 Financial Instruments

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 December 2018, however, the Group has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 comparative figures are presented and measured under IAS 39. All financial assets previously held at fair value continue to be measured at fair value and accordingly there has been no impact as a result of the adoption of IFRS 9. All financial assets that were classified as loans and receivables and continue to be measured at amortised cost.

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on how to account for uncertainty related to income taxes. There is no impact on the measurement of taxes, therefore the Group was able to implement the interpretation retrospectively. The interpretation provides additional clarity regarding the presentation and disclosures of uncertain tax assets and liabilities. This standard is mandatory with effect from 1 January 2019 but the Group has early adopted it on 1 December 2018.

Notes to the financial statements continued

2. Basis of preparation continued

IFRS 15 Revenue from contracts with customers

The Company adopted IFRS 15 as of the date of initial application of 1 December 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Group.

3. Income

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Investment income:			
UK dividends	716	807	1,599
Overseas dividends	778	702	1,478
Overseas special dividends	179	49	49
Fixed interest	481	412	912
	2,154	1,970	4,038
Other income:			
Deposit interest	1	16	16
Option premium income	670	1,190	2,307
	671	1,206	2,323
Total income	2,825	3,176	6,361

During the period, the Group received in cash option premium income totalling £604,000 (six months ended 31 May 2018: £1,266,000; year ended 30 November 2018: £2,370,000) for writing put and covered call options for the purposes of revenue generation. Option premiums of £670,000 (six months ended 31 May 2018: £1,190,000; year ended 30 November 2018: £2,307,000) were amortised to revenue. At 31 May 2019, there were 3 (31 May 2018: 7; 30 November 2018: 10) open positions with an associated liability of £203,000 (31 May 2018: £208,000; 30 November 2018: £682,000).

Dividends and interest received in cash in the period amounted to £1,533,000 and £427,000 (six months ended 31 May 2018: £1,588,000 and £293,000; year ended 30 November 2018: £3,134,000 and £740,000) respectively.

Special dividends of £659,000 have been recognised in capital in the six months ended 31 May 2019 (six months ended 31 May 2018: £nil; year ended 30 November 2018 £nil).

4. Investment management fees

	Six months ended 31 May 2019 (unaudited)			Six months ended 31 May 2018 (unaudited)			Year ended 30 November 2018 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	116	348	464	126	379	505	250	750	1,000

The investment management fee is levied at 0.95% of gross assets per annum on the first £250 million of the Company's gross assets reducing to 0.90% thereafter. Gross assets are calculated based on net assets before the deduction of the bank overdraft. The fee is allocated 25% to the revenue column and 75% to the capital column of the Consolidated Statement of Comprehensive Income.

Notes to the financial statements continued

5. Other operating expenses

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Allocated to revenue:			
Custody fee	2	2	4
Auditor's remuneration – audit services	13	13	26
Registrar's fee	13	13	30
Directors' emoluments	62	60	120
Broker fees	12	12	20
Depository fees	5	5	11
Marketing fees	12	9	21
Printing fees	16	15	25
Bank facility fees	11	7	11
Other administration costs	53	31	75
	199	167	343
Allocated to capital:			
Custody transaction charges	1	2	3
	200	169	346

6. Finance costs

	Six months ended 31 May 2019 (unaudited)			Six months ended 31 May 2018 (unaudited)			Year ended 30 November 2018 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable – bank overdraft	23	67	90	18	53	71	37	109	146

Finance costs for the Company are charged 25% to the revenue column and 75% to the capital column of the Consolidated Statement of Comprehensive Income. Subsidiary finance costs are charged 100% to the revenue column of the Consolidated Statement of Comprehensive Income.

At 31 May 2019 the Group had an overdraft facility of the lower of £17.5 million or 20% of the Group's net assets.

Notes to the financial statements continued

7. Dividends

The Board's current dividend target is to declare quarterly dividends of 1.00 pence per share in the year to 30 November 2019, making a total of at least 4.00 pence for the year as a whole.

A first interim dividend for the period ending 28 February 2019 of £1,161,000 (1.00p per share) was paid on 18 April 2019 to shareholders on the register on 22 March 2019.

The Directors have declared a second interim dividend for the year ended 30 November 2019 of 1.00p per ordinary share. The total cost of the dividend was £1,150,000 and was paid on 19 July 2019 to shareholders on the Company's register on 21 June 2019. This dividend has not been accrued in the financial statements for the six months ended 31 May 2019, as under IFRS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

The third and fourth interim dividends will be declared in September 2019 and December 2019 respectively.

Dividends on equity shares paid during the period were:

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Second interim dividend for the year ended 30 November 2018 of 1.00p (2017: 1.00p)	-	-	1,169
Third interim dividend for the year ended 30 November 2018 of 1.00p (2017: 1.00p)	-	-	1,162
Fourth interim dividend for the year ended 30 November 2018 of 1.00p (2017: 1.00p)	1,161	1,188	1,188
First interim dividend for the year ending 30 November 2019 of 1.00p (2018: 1.00p);			
- Distributed from Revenue Reserve	929	1,190	1,190
- Distributed from Special Reserve	232	-	-
	2,322	2,378	4,709

8. Consolidated earnings and net asset value per ordinary share

Total revenue and capital returns per share and net asset value per share are shown below and have been calculated using the following:

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	(unaudited)	(unaudited)	(audited)
Net revenue profit attributable to ordinary shareholders (£'000)	2,282	2,587	5,145
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	862	13,276	(1,486)
Total profit attributable to ordinary shareholders (£'000)	3,144	15,863	3,659
Equity shareholders' funds (£'000)	88,539	104,298	88,109
The weighted average number of ordinary shares in issue during each period on which the return per ordinary share was calculated was:	116,096,755	118,767,389	117,618,034
The actual number of ordinary shares in issue (excluding treasury shares) at the period end on which the net asset value was calculated was:	115,580,243	118,147,000	116,126,515
Returns per share			
Revenue earnings per share (pence)	1.97	2.18	4.37
Capital earnings/(loss) per share (pence)	0.74	11.18	(1.26)
Total earnings per share (pence)	2.71	13.36	3.11

There were no dilutive securities at the period end (six month ended 31 May 2018: nil; year ended 30 November 2018: nil).

Notes to the financial statements continued

8. Consolidated earnings and net asset value per ordinary share continued

	As at 31 May 2019	As at 31 May 2018	As at 30 November 2018
	(unaudited)	(unaudited)	(audited)
Net asset value per ordinary share (pence)	76.60	88.28	75.87
Ordinary share price (pence)	70.00	81.20	70.60

9. Called up share capital

	Ordinary shares	Treasury shares	Total shares	Nominal value
	number	number	number	£'000

Allotted, called up and fully paid share capital comprised:

Ordinary shares of 1 pence each:

At 30 November 2018	116,126,515	2,839,485	118,966,000	1,190
Shares purchased and held in treasury	(546,272)	546,272	-	-
At 31 May 2019	115,580,243	3,385,757	118,966,000	1,190

During the period 546,272 shares were bought back and transferred to treasury (six months ended 31 May 2018: 871,000; year ended 30 November 2018: 2,891,485) for a total consideration of £389,000 (six months ended 31 May 2018: £732,000; year ended 30 November 2018: £2,373,000). During the period no shares were issued (six months ended 31 May 2018: 52,000 were re-issued from treasury along with a new issue of a further 198,000 shares; year ended 30 November 2018: 52,000 were re-issued from treasury and 198,000 new shares were issued) for a total consideration of £nil (six months ended 31 May 2018: £192,000; year ended 30 November 2018: £192,000) before the deduction of issue costs. Since 31 May 2019, no shares have been issued and a further 863,728 shares have been bought back for a total consideration of £624,000.

10. Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Consolidated Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Group are explained in the accounting policies note 2(h) as set out in the Group's Annual Report and Financial Statements for the year ended 30 November 2018.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows.

The fair value hierarchy has the following levels:

Level 1 – Quoted prices for an identical instrument in an active market

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category also includes all instruments where the valuation technique includes inputs not based on observable data and these inputs could have a significant impact on the instrument's valuation.

Notes to the financial statements continued

10. Valuation of financial instruments continued

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

Over-the-counter derivative option contracts have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the underlying quoted securities to which these contracts expose the Group.

The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2019	Level 1	Level 2	Level 3	Total
(unaudited)	£'000	£'000	£'000	£'000
Assets:				
Equity and fixed income investments	94,423	-	-	94,423
Liabilities:				
Derivative financial instruments - written options	-	(203)	-	(203)
	94,423	(203)	-	94,220

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2018	Level 1	Level 2	Level 3	Total
(unaudited)	£'000	£'000	£'000	£'000

Assets:

Equity and fixed income investments	109,392	-	-	109,392
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Liabilities:

Derivative financial instruments - written options	-	(208)	-	(208)
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	109,392	(208)	-	109,184
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Financial assets/(liabilities) at fair value through profit or loss at 30 November 2018	Level 1	Level 2	Level 3	Total
(audited)	£'000	£'000	£'000	£'000

Assets:

Equity and fixed income investments	94,815	-	-	94,815
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Liabilities:

Derivative financial instruments - written options	-	(682)	-	(682)
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	94,815	(682)	-	94,133
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There were no transfers between levels for financial assets and financial liabilities during the period recorded at fair value as at 31 May 2019, 31 May 2018 and 30 November 2018. The Group did not hold any Level 3 securities throughout the financial period under review or as at 31 May 2018 and 30 November 2018.

Notes to the financial statements continued

11. Transactions with the AIFM and the Investment Manager

BlackRock Fund Managers Limited (BFM) is the Company's Alternative Investment Fund Manager (AIFM). BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)).

The investment management fee due to BFM for the six months ended 31 May 2019 amounted to £464,000 (six months ended 31 May 2018: £505,000; year ended 30 November 2018: £1,000,000). At the period end £393,000 was outstanding in respect of these fees (six months ended 31 May 2018: £638,000; year ended 30 November 2018: £412,000).

In addition to the above services, BlackRock has provided the Company with marketing services. The total fees paid or payable for these services for the period ended 31 May 2019 amounted to £12,000 excluding VAT (six months ended 31 May 2018: £9,000; year ended 30 November 2018: £21,000). Marketing fees of £33,000 (31 May 2018: £10,000; 30 November 2018: £22,000) were outstanding at 31 May 2019.

12. Related party disclosure: Directors' emoluments

The Board consists of four non-executive Directors all of whom with the exception of Mr Ruck Keene (who was previously an employee of the Manager) are considered to be independent of the Manager by the Board. Mr Ruck Keene retired from his position at BlackRock on 7 April 2017 and will continue to be deemed to be non-independent of the Manager for a period of five years following his retirement under current guidance set out in the UK Corporate Governance Code.

None of the Directors has a service contract with the Company. With effect from 1 December 2018, the Chairman receives an annual fee of £38,000, the Chairman of the Audit and Management Engagement Committee receives an annual fee of £32,000 and each other Director receives an annual fee of £27,000.

As at 31 May 2019: £nil (31 May 2018: £nil; 30 November 2018: £nil) was outstanding in respect of Directors fees.

At the period end, interests of the Directors in the ordinary shares of the Company are as set out below:

	31 May 2019	31 May 2018	30 November 2018
Ed Warner (Chairman)	94,000	94,000	94,000
Carol Bell	33,500	33,500	33,500
Michael Merton	17,000	17,000	17,000
Jonathan Ruck Keene	14,000	14,000	14,000

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

13. Contingent liabilities

There were no contingent liabilities at 31 May 2019, 31 May 2018 or 30 November 2018.

14. Publication of non-statutory accounts

The financial information contained in this half yearly financial report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 31 May 2019 and 31 May 2018 has not been reviewed or audited by the Group's Auditor.

The information for the year ended 30 November 2018 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies unless otherwise stated. The report of the Auditor on those accounts contained no qualification or statement under sections 498(2) or 498(3) of the Companies Act 2006.

15. Annual results

The Board expects to announce the annual results for the year ending 30 November 2019 in January 2020.

Copies of the annual results announcement can be obtained from the Secretary on 020 7743 3000 or at cosec@blackrock.com. The Annual Report and Financial statements should be available at the beginning of February 2020, with the Annual General Meeting being held in March 2020.

Directors, management and other service providers

Directors

Ed Warner (Chairman)
Michael Merton (Chairman of the
Audit and Management Engagement
Committee)
Carol Bell
Jonathan Ruck Keene

Registered Office

(Registered in England, No. 5612963)
12 Throgmorton Avenue
London EC2N 2DL

Alternative Investment Fund Manager

BlackRock Fund Managers Limited*
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Investment Manager and Company Secretary

BlackRock Investment Management
(UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL

Depository, Custodian and Banker

The Bank of New York Mellon
(International) Limited*
One Canada Square
London E14 5AL

Registrar

Computershare Investor Services PLC*
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1476

Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Stockbroker

Winterflood Securities Limited*
The Atrium Building
25 Dowgate Hill
London EC4R 2GA

Solicitor

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

* Authorised and regulated by the Financial Conduct Authority.

Shareholder information

Contact information

General enquiries about the Company should be directed to:

The Secretary

BlackRock Energy and Resources Income Trust plc, 12 Throgmorton Avenue
London EC2N 2DL Telephone: 020 7743 3000 Email: cosec@blackrock.com

WEBSITE blackrock.co.uk/beri

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website.

As a security check, specific information will be required to gain access to your account, including your shareholder reference number available from your most recent dividend counterfoil or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1476.

Changes of name or address must be notified in writing either through Computershare's website or sent to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Results

Full year announced in late January/early February

Half year announced in July

Annual general meeting

March

Shareholder information continued

Quarterly dividends

Dividends are paid quarterly as follows:

Period ending	Ex-date	Payment date
28 February	March	April
31 May	June	July
31 August	September	October
30 November	December	January

Dividend tax allowance

An annual £2,000 tax-free allowance applies on dividend income across an individual's entire share portfolio. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability. If you have any tax queries, please contact a Financial Advisor.

Dividend reinvestment scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC on 0370 707 1476 or through their secure website: investorcentre.co.uk. Shareholders who have already opted to have their dividends reinvested do not need to reapply.

Glossary

Alternative Performance Measures (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

Discount and Premium

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the share price was 90p and the NAV 100p, the discount would be 10%. (Please see note 8 of the financial statements on page 35 for the inputs to the calculation at 31 May 2019 and 2018 and 30 November 2018).

A premium occurs when the share price is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 100p and the NAV 90p, the premium would be 11.1%. (Please see note 8 of the financial statements on page 35 for the inputs to the calculation at 31 May 2019 and 2018 and 30 November 2018).

Discounts and premia are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings

The Group may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital, investment in derivatives and structured financial instruments, and borrowings. Gearing through the use of derivatives is limited to a maximum of 30% of the Group's assets for the purposes of efficient portfolio management and to enhance portfolio returns. Gearing through borrowings is limited to 40% of the group's assets; however borrowings are not envisaged to exceed 20% of the Company's gross assets at the date or drawdown.

Gearing is calculated in accordance with AIC Guidelines and represents net gearing. This is defined as total assets of the Company less current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the following table.

Glossary continued

Net gearing calculation	Page	31 May 2019 £'000	31 May 2018 £'000	30 November 2018 £'000	
Net assets	27	88,539	104,298	88,109	(a)
Bank overdraft	27	10,590	5,269	7,718	(b)
Total assets (a + b)		99,129	109,567	95,827	(c)
Current assets	27	5,651	1,402	2,516	(d)
Current liabilities (excluding borrowings)	27	(945)	(1,227)	(1,504)	(e)
Cash and cash equivalents		4,706	175	1,012	(f)
Net gearing figure ($g = (c - f - a)/a$)		6.6%	4.9%	7.6%	(g)

Leverage

Leverage is defined in the AIFM Directive as “any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means”.

Leverage is measured in terms of ‘exposure’ and is expressed as a ratio of net asset value:

Leverage ratio = exposure: net asset value

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an “exposure” under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that “the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond” should be excluded from exposure calculations.

Net asset value per share ('NAV')

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing "equity shareholders' funds" (as set out in note 8 of the notes to the financial statements on page 35) by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 May 2019, total equity was £88,539,000 and there were 115,580,243 ordinary shares in issue (as set out in note 8 of the notes to the financial statements on page 35); the NAV was therefore 76.60p per ordinary share.

Total equity is calculated by deducting from the Company's total assets, its current and long term liabilities and provision for liabilities and charges.

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments (as set out in notes 4 and 5 of the notes to the financial statement on pages 31 and 32 respectively). Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs, VAT refunded, transaction charges, taxation and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year.

* Alternative Performance Measures.

Glossary continued

Ongoing charges calculation	Page	30 November 2018 £'000	30 November 2017 £'000	
Management fee	31	1,000	956	
Other operating expenses	32	343	336	
Total management fee and other operating expenses		1,343	1,292	(a)
Average net assets in the year		96,808	95,002	(b)
Ongoing charges (c = a/b)		1.39%	1.36%	(c)

Total return per share with dividends reinvested – net asset value and share price*

This is the theoretical return on shareholders' funds per share, reflecting the change in value of the NAV per share assuming that dividends paid to shareholders were reinvested at the first opportunity. The measure is also known as 'total return' and this information enables investors to make performance comparisons between investment trusts with different dividend policies. The income reinvestment calculation measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price.

* Alternative Performance Measures.

NAV total return	Page	Six months to 31 May 2019 (unaudited)	Six months to 31 May 2018 (unaudited)	30 November 2018 (audited)	
Closing NAV per share (pence)	2	76.60	88.28	75.87	
Add back interim and final dividends (pence)	26	2.00	2.00	4.00	
Effect of dividend reinvestment (pence)		0.02	0.29	(0.19)	
Adjusted closing NAV (pence)		78.62	90.57	79.68	(a)
Opening NAV per share (pence)	2	75.87	76.92	76.92	(b)
NAV total return ($c = ((a - b)/b)$) (%)		3.6	17.7	3.6	(c)

Share price total return	Page	Six months to 31 May 2019 (unaudited)	Six months to 31 May 2018 (unaudited)	30 November 2018 (audited)	
Closing share price (pence)	2	70.00	81.20	70.60	
Add back interim and final dividends (pence)	26	2.00	2.00	4.00	
Effect of dividend reinvestment (pence)		(0.06)	0.17	(0.31)	
Adjusted closing share price (pence)		71.94	83.37	74.29	(a)
Opening share price (pence)	2	70.60	75.00	75.00	(b)
Share price total return ($c = ((a - b)/b)$) (%)		1.9	11.2	(0.9)	(c)

Share fraud warning

Be ScamSmart



Investment scams are designed to look like genuine investments



Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

Remember: if it sounds too good to be true, it probably is!

SGN001



blackrock.co.uk/beri

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