

**ADAMS PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2015**

# ADAMS PLC

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# ADAMS PLC

## COMPANY INFORMATION

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<b>Directors</b>	M A Bretherton (non-executive chairman) N J Woolard (non-executive director) A R J Mitchell (non-executive director)
<b>Secretary</b>	P P Scales
<b>Registrar and Registered office</b>	IOMA Fund and Investment Management Limited IOMA House Hope Street Douglas Isle of Man IM1 1AP
<b>Auditors</b>	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
<b>Nominated Advisor</b>	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
<b>Broker</b>	Peterhouse Corporate Finance Limited 3 Liverpool House 15 Eldon Street London EC2M 7LD
<b>Crest Agent</b>	Share Registrars Limited 27/28 Eastcastle Street London W1W 8DH

# ADAMS PLC

## CHAIRMAN'S STATEMENT

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I was appointed to the Board as a non-executive director in May of this year and subsequently took over the role of Chairman from Nicholas Nelson on his retirement at the Annual General Meeting of the Company on 11 September 2015. I thank Nicholas for all his work in completing the restructuring process of Adams Plc ("the Company") (formerly Carpathian Plc) in to an investing company. The Company also announced the appointment of Dr Andrew Mitchell as a non-executive director on 6 August 2015.

One of my first priorities on joining the Board was to seek to strengthen the Company's balance sheet by raising additional funds to be used to make investments in accordance with the Company's investing policy and for general working capital purposes. This was achieved by way of a placing of 18,181,818 new ordinary shares of €0.01 each with new and existing investors at a placing price of 4.4p (5.962 €cents) per ordinary share to raise £800,000 (€1,084,000) for the Company before expenses. The new shares were admitted to trading on AIM on 23 September 2015.

The Company is an investing company focusing on the technology and life sciences sectors and incurred a loss after tax for the six months ended 30 September 2015 of €95,000 compared to a loss of €72,000 in the previous 2014 half year. The reported loss mainly reflects administration expenses of €116,000 less gains amounting to €24,000 on portfolio investments in the six month period.

During the six months to 30 September 2015, the Company invested €242,000 in two AIM listed technology businesses. One is a global online gaming and sports betting company and the other is a leading processor technology company that creates unique, patented semiconductor IP for multimedia and communication applications.

The Company also disposed of the two investments that it held at the 31 March 2015 year end for a total cash sale consideration of €193,000.

As at 30 September 2015, the two new investments had a carrying value of €247,000 (31 March 2015: €174,000 represented by the two quoted holdings that have since been sold).

Subsequent to the 30 September 2015 period end, the Company invested €121,000 in a leading AIM listed provider of outsourced digital asset management and personalised customer communication services.

At 30 September 2015, the Company had net assets of €1,239,000 inclusive of cash balances of €1,012,000 compared with net assets of €250,000 at 31 March 2015 inclusive of cash balances of €158,000. The increase in net assets is attributable to the receipt of €1,084,000 of share issue proceeds less the loss of €95,000 in the period.

### **Outlook**

Equity markets had a difficult six months to the end of September 2015 reflecting a significant slowdown in China's economy, together with a myriad of other challenges including the ongoing European debt crisis, conflicts in the Ukraine and the Middle East, uncertainty over the UK referendum on its EU membership and also an expectation that a US interest rate rise is probable later this year.

It remains the Board's intention to acquire additional investments in the technology and biotechnology sectors. However, given the uncertain and challenging markets, the Board will continue to maintain a highly selective investment approach. I am confident that this will enable us to build considerable value for shareholders going forward.

Michael Bretherton  
**Chairman**

27 November 2015

# ADAMS PLC

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

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		6 months ended 30 September 2015 (Unaudited) €'000	Year ended 31 March 2015 (Audited) €'000	6 months ended 30 September 2014 (Unaudited) €'000
Net change in fair value of investments at fair value through profit or loss	6	24	172	1
<b>Total income</b>		24	172	1
<b>Expenses</b>				
Net foreign exchange (loss) /gain		(3)	14	6
Administrative expenses		(116)	(211)	(79)
<b>Operating loss</b>		(95)	(25)	(72)
<b>Loss on ordinary activities before taxation</b>		(95)	(25)	(72)
Tax on loss on ordinary activities		-	-	-
<b>Loss for the period</b>		(95)	(25)	(72)
<b>Basic and diluted loss per share (€ cents)</b>	10	(0.4)	(0.1)	(0.4)

Since there is no other comprehensive loss, the loss for the period is the same as the total comprehensive loss for the period attributable to the owners of the Company.

# ADAMS PLC

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2015

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		As at 30 September 2015 (Unaudited) €'000	As at 31 March 2015 (Audited) €'000	As at 30 September 2014 (Unaudited) €'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments	5	247	174	61
<b>Current assets</b>				
Trade and other receivables	7	5	10	6
Cash and cash equivalents	5	1,012	158	154
		<u>1,017</u>	<u>168</u>	<u>160</u>
<b>Total assets</b>		<u>1,264</u>	<u>342</u>	<u>221</u>
<b>Equity and Liabilities</b>				
Called up share capital	9	413	231	231
Share premium		1,116	214	214
Retained earnings		(290)	(195)	(242)
<b>Total equity</b>		<u>1,239</u>	<u>250</u>	<u>203</u>
<b>Current liabilities</b>				
Trade and other payables	8	25	92	18
<b>Total current liabilities</b>		<u>25</u>	<u>92</u>	<u>18</u>
<b>Total liabilities</b>		<u>25</u>	<u>92</u>	<u>18</u>
<b>Total equity and liabilities</b>		<u>1,264</u>	<u>342</u>	<u>221</u>

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The interim report on pages 4 to 11 was approved and authorised for issue by the Board of Directors on 27 November 2015 and signed on its behalf by:

Michael Bretherton  
Chairman

# ADAMS PLC

## STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

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	Share Capital €'000	Share Premium €'000	Retained Losses €'000	Total €'000
<b>At 1 April 2014</b>	162	133	(170)	125
Issue of shares	69	81	-	150
Total comprehensive loss for the period	-	-	(72)	(72)
<b>At 30 September 2014</b>	231	214	(242)	203
Total comprehensive gain for period	-	-	47	47
<b>At 31 March 2015</b>	231	214	(195)	250
Issue of shares	182	902	-	1,084
Total comprehensive loss for period	-	-	(95)	(95)
<b>At 30 September 2015</b>	413	1,116	(290)	1,239

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Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

Retained losses represent the cumulative losses of the Company attributable to equity shareholders.



# ADAMS PLC

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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	6 months ended 30 September 2015 (Unaudited) €'000	Year ended 31 March 2015 (Audited) €'000	6 months ended 30 September 2014 (Unaudited) €'000
<b>Loss for the period</b>	(95)	(25)	(72)
Adjustment for:			
Exclude net changes in fair value of investments	(24)	(172)	(1)
Decrease /(increase) in trade and other receivables	5	(3)	1
(Decrease)/increase in trade and other payables	(67)	79	5
<b>Net cash outflows from operating activities</b>	<b>(181)</b>	<b>(121)</b>	<b>(67)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of investments	193	79	7
Payments to acquire investments	(242)	(67)	(53)
<b>Net cash (used)/generated in investing activities</b>	<b>(49)</b>	<b>12</b>	<b>(46)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital	182	69	69
Issue of premium share capital	902	81	81
<b>Net cash from financing</b>	<b>1,084</b>	<b>150</b>	<b>150</b>
<b>Net increase in cash and cash equivalents</b>	<b>854</b>	<b>41</b>	<b>37</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>158</b>	<b>117</b>	<b>117</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,012</b>	<b>158</b>	<b>154</b>

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# ADAMS PLC

## NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

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#### 1 General information

Adams PLC is a company incorporated in the Isle of Man and is listed on the AIM market of the London Stock Exchange. The address of the registered office is disclosed within company information on page 1 of this interim report. The principal activities of the Company are described in the Chairman's Statement on page 2.

#### 2 Basis of preparation

The interim financial statements of Adams Plc are unaudited condensed financial statements for the six months ended 30 September 2015. These include unaudited comparatives for the six months ended 30 September 2014 together with audited comparatives for the year ended 31 March 2015.

These interim condensed consolidated financial statements have been prepared on the basis of the accounting policies expected to apply for the financial year to 31 March 2016 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention. The Company's presentation and functional currency is Euros.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting', and should be read in conjunction with the Company's annual financial statements to 31 March 2015. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

#### 3 Going concern

Information on the business environment, financial position and the factors underpinning the Company's future prospects and portfolio are included in the Chairman's Statement. The Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the medium term based on the current liquid resources available. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### 4 Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Adams Plc for the year ended 31 March 2015 which received an unqualified audit opinion. A copy of these financial statements are available on the website at [www.adamsplc.co.uk](http://www.adamsplc.co.uk)

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

#### 5 Financial assets at fair value through profit and loss

	As at 30 September 2015 €'000	As at 31 March 2015 €'000	As at 30 September 2014 €'000
Equity investments	247	174	61
Cash at bank	1,012	158	154
	<u>1,259</u>	<u>332</u>	<u>215</u>

#### 6 Net change in fair value of investments at fair value through profit or loss

	As at 30 September 2015 €'000	As at 31 March 2015 €'000	As at 30 September 2014 €'000
Movement in unrealised (losses)/gains on investments	(126)	128	1
Realised gain on investments	150	44	-
	<u>24</u>	<u>172</u>	<u>1</u>

#### 7 Trade and other receivables

	As at 30 September 2015 €'000	As at 31 March 2015 €'000	As at 30 September 2014 €'000
Prepayments	5	10	6
	<u>5</u>	<u>10</u>	<u>6</u>

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

#### 8 Trade and other payables

	As at 30 September 2015 €'000	As at 31 March 2015 €'000	As at 30 September 2014 €'000
Trade payables	12	6	16
Accruals	13	86	2
	<u>25</u>	<u>92</u>	<u>18</u>

Accruals principally comprise amounts outstanding for ongoing expenses. The carrying amount of trade payables approximates to its fair value.

#### 9 Share capital and share premium

	Number of shares issued and fully paid up	Share capital €'000	Share premium €'000
<b>Ordinary shares of €0.01</b>			
<b>At 1 April 2014</b>	16,166,392	162	133
Issue of shares	6,928,406	69	81
<b>At 30 September 2014</b>	23,094,798	231	214
Issue of shares	-	-	-
<b>At 31 March 2015</b>	23,094,798	231	214
Issue of shares	18,181,818	182	902
<b>At 30 September 2015</b>	41,276,616	413	1,116

On 23 September 2015 the Company issued 18,181,818 new ordinary shares of €0.01 each by way of a placing at 4.4p (5.962 €cents) each.

During September 2014, warrant holders exercised warrants and subscribed for 6,928,406 Ordinary Shares of €0.01 each in the Company at an exercise price of 2.165 €cents per share. Following these exercises, there are no further warrants outstanding.

The authorised Ordinary Share capital of the Company at 30 September 2015 is 350,000,000 Ordinary Shares of €0.01 each (31 March 2015 and 30 September 2014: 350,000,000 Ordinary Shares of €0.01 each).

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2015

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#### 10 Loss per share

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	<b>Period ended 30 September 2015</b>	<b>Year ended 31 March 2015</b>	<b>Period ended 30 September 2014</b>
Loss after tax attributable to equity holders of the Company (€'000)	(95)	(25)	(72)
Weighted average number of ordinary shares	23,889,632	20,456,223	17,321,370
Basic and diluted loss per share	<u>(0.4)€c</u>	<u>(0.1)€c</u>	<u>(0.4)€c</u>

There were no potentially dilutive shares in issue as at 30 September 2015, 31 March 2015 and 30 September 2014.