

ADAMS PLC
REPORT AND ACCOUNTS
FOR THE FIFTEEN MONTHS ENDED
31 MARCH 2013

ADAMS PLC

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ADAMS PLC

COMPANY INFORMATION

Directors	N C P Nelson (non-executive chairman) (Appointed 8 March 2013) N J Woolard (non-executive director) (Appointed 8 March 2013)
Secretary	P P Scales
Registrar and Registered office	IOMA Fund and Investment Management Limited IOMA House Hope Street Douglas Isle of Man IM1 1AP
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Nominated Advisor	Libertas Capital Corporate Finance Limited 17C Curzon Street London W1J 5HU
Broker	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
Crest Agent	Share Registrars Limited 27/28 Eastcastle Street London W1W 8DH
Bankers	National Westminster Bank Plc P.O. Box 7 Prospect Hill Douglas Isle of Man IM99 1AQ Barclays Bank Plc P.O. Box 299 Birmingham B1 3PF
Solicitors	Olswang 90 High Holborn London WC1V 6XX

ADAMS PLC

BOARD OF DIRECTORS

FOR THE PERIOD ENDED 31 MARCH 2013

Nicholas Nelson

Nicholas Nelson has worked in corporate communications providing services to smaller quoted PLCs over a thirteen year period and prior to this, he spent twelve years in both market making and stockbroking. Nicholas has held directorships with a number of junior companies including five quoted on ISDX or AIM. Accordingly, he brings a range of skills relevant to Adams Plc.

Nicholas Woolard ACIB, MCSI

Nicholas Woolard is a finance industry professional with broad offshore experience focused latterly on compliance, having been a Group Compliance Officer for four years in CSP/TSP, fund administration, fund management and stockbroking businesses before being appointed to various non-executive positions. Currently Mr Woolard is a non-executive director of five companies; two public and three private. He became a member of the panel of Adjudicators to the Financial Services Ombudsman Scheme (of the Isle of Man) in March 2012.

ADAMS PLC

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2013

On 11th March 2013, Carpathian Plc announced a change of name to Adams Plc as part of a range of measures designed to change the investment strategy and attract fresh investment. Subsequently the Company announced a change of year end from December to March to allow time to prepare accounts more relevant to the restructuring.

As part of this restructuring, the existing directors resigned, handing the reigns to a new Board which was appointed to manage the Company's new investment strategy. Accordingly, this Chairman's statement covers the three month period since the new Board was put in place.

The principal focus since March has been to consider investments as part of the strategy of investing in the technology and life sciences sectors and to remain supportive of the Carpathian subsidiaries' advisers as they proceed to divest the Company of its legacy assets which have no part in the Company's future. These are a collection of eastern European property interests and until they have been disposed of or shut down, the Company is separated from these via an extremely robust deed poll, thus isolating shareholders from the past.

Adams currently has over a thousand shareholders who represent around 5% of the Company and many of these holdings are valued at less than one Euro. The Board is examining ways of allowing members to remove themselves from the share register and a mechanism will be proposed in time for the forthcoming AGM.

The Board continues to examine potential candidates for investment and looks forward to keeping shareholders appraised as the need arises.



.....
N C P Nelson
Chairman

ADAMS PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2013

The directors present their report and financial statements for the period ended 31 March 2013.

Principal activities and review of the business

The Company was incorporated in the Isle of Man as a public company limited by shares under the Laws of the Isle of Man with registered number 004145V. On 8 March 2013 following an Extraordinary General Meeting, the Company restated its investing policy, appointed new directors and changed its name to Adams Plc.

From 8 March 2013, the investing policy of the Company has been to seek to acquire a direct and/or an indirect interest in projects and assets in the biotechnology sector. However the Director's will also consider opportunities in the wider technology sector as well as opportunities that may arise in other sectors. The Company will focus on opportunities in UK or Europe but will consider possible opportunities anywhere in the world.

Fair review of the business

The directors are satisfied with the results for the period.

Principal risks and uncertainties

The principal risks faced by the Company are economic factors, fluctuations in exchange rates and the ability to secure future investments. The nature of the investments made by the Company will always have an element of risk but the Company will always seek to insure its investments against the risks that can be identified. Even the largest companies and banks sometimes fail but the Company undertakes substantial due diligence prior to making any investment and as closely as possible monitors the progress of the investment and the performance of the management.

Key performance indicators

Since the Company had no turnover, there are no performance indicators relative to revenue and gross margin. There was no significant capital expenditure in the period. The key performance indicators currently used by the Company are overheads and cash resources. The Company intends to establish other key performance indicators in due course once the Group has matured sufficiently. The Group does not use and does not at present intend to use non-financial key performance indicators.

Results and dividends

The results for the period are set out on page 8. Dividends proposed and paid in this period are set out in note 8.

Future developments

The Company is involved in discussions with a number of parties for the investment into projects or businesses which meet the Company's objectives and investment criteria. Many such discussions are aborted at various stages if the directors are unhappy with any aspect of the proposals. If the directors are happy to continue discussions a more detailed due diligence investigation is undertaken invariably using external consultants. Progress reports are made on the due diligence to the investment committee which decides whether to continue the due diligence or abort.

Directors

The following directors have held office since 1 January 2012:

N C P Nelson	(Appointed 8 March 2013)
N Woolard	(Appointed 8 March 2013)
R P Macnamara	(Resigned 8 March 2013)
P R Cottrell	(Resigned 8 March 2013)
P P Scales	(Resigned 8 March 2013)
T G Walker	(Resigned 8 March 2013)

Secretary

The secretary of the Company holding office for the period ended 31 March 2013 was P P Scales.

Creditor payment policy

The Company's policy is to pay creditors within the agreed terms which are generally no more than 30 days.

ADAMS PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2013

Financial instruments

The Company has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

Auditors

Our auditors, Jeffreys Henry LLP, being eligible, have expressed their willingness to continue in office.

Corporate Governance Principles

As an Isle of Man registered Company and under the AIM rules for companies, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council ("Code"). The Directors, however, place a high degree of importance on ensuring that the Company maintains high standards of Corporate Governance and have therefore adopted the spirit of the Code to the extent that they consider appropriate, taking into account the size of the Company and nature of its operations.

The Board holds at least four meetings annually and has established audit and remuneration committees.

Composition of the Board

The Board currently comprises two non-executive members.

Directors' remuneration

Details of the directors' fees are shown below.

	2013 €'000	2011 €'000
N. C. P. Nelson	1	-
N. J. Woolard	-	-
R. P. Macnamara	66	488
P. R. Cottrell	43	182
P. P. Scales	-	-
T. G. Walker	36	172
	<hr/>	<hr/>
	146	842
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Directors' interest

As at 31 March 2013 the following directors held interest in the Company's shares as follows:

Director	Registered holder	Number of Ordinary Shares held	
		31 March 2013	31 December 2011
N. C. P. Nelson		-	-
N. J. Woolard		-	-
P. R. Cottrell	Securities Services Nominees Ltd	-	100,000
T. G. Walker	Capital International Ltd for pension scheme of T. G. Walker	-	100,000

Financial risk management

The Group has instigated certain financial risk management policies and procedures which are set out in note 3 to the financial statements.

Events after the reporting period

There have been no material events after the reporting period that would require disclosure or adjustment to these accounts.

ADAMS PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2013

Going concern

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is an expectation that the Company has adequate working capital resources to continue its operations in the foreseeable future. The financial statements have accordingly been prepared on a going concern basis.

Indemnity of officers

The Company currently does not maintain insurance to cover against legal action brought against its Directors and officers. However, the Company may purchase and maintain, for any Director or officer, insurance against any liability in the future.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the company financial statements have been prepared in accordance with IFRS as adopted by the European Union subject to any material departures disclosed and explained in the Financial Statements.;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

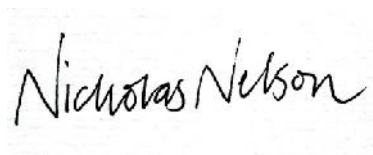
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



.....
N C P Nelson
Non-executive Chairman



.....
N J Woolard
Non-executive Director

ADAMS PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADAMS PLC

We have audited the company financial statements of Adams PLC for the period ended 31 March 2013, which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and related note on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;



Jonathan Isaacs (Senior Statutory Auditor)
for and on behalf of Jeffreys Henry LLP

Chartered Accountants
Statutory Auditor

26 July 2013

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

ADAMS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2013

		Period ended 31 March 2013 €'000	Year Ended 31 December 2011 €'000
Legal settlement		-	(8,211)
Impairment of loans to subsidiary	10	(9,887)	(42,945)
Impairment of interest receivable from subsidiary	10	(18,128)	(22,024)
Net foreign exchange (loss)/gain		(363)	242
Administrative expenses		(86)	(3,373)
Other income		125	-
Operating loss	5	(28,339)	(76,311)
Finance income	6	20,155	21,134
Loss on ordinary activities before taxation		(8,184)	(55,177)
Tax on loss on ordinary activities	7	-	-
Loss for the period		(8,184)	(55,177)
Loss per share	15	(260)€c	(2,224)€c

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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

ADAMS PLC

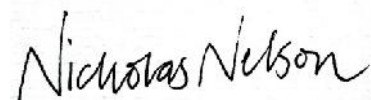
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Notes	31 March 2013 €000	31 December 2011 €000
Assets			
Non-current assets			
Investments	9	115	-
Current assets			
Loan to subsidiaries	10	-	2,950
Trade and other receivables	11	11	395
Cash and cash equivalents	12	139	44,656
		150	48,001
Total assets		265	48,001
Equity and Liabilities			
Called up share capital	14	2,448	2,309
Share premium	14	133	42,522
Retained earnings		(2,335)	(31,474)
Total equity		246	13,357
Current liabilities			
Trade and other payables	13	19	34,644
Total current liabilities		19	34,644
Total liabilities		19	34,644
Total equity and liabilities		265	48,001

The financial statements were approved and authorised for issue by the Board on 25 July 2013 and signed on its behalf by:

.....



Director

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

ADAMS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2013

	Share Capital €'000	Share Premium €'000	Retained Earnings/ (Losses) €'000	Total €'000
At 1 January 2011	2,321	91,477	60,631	154,429
Changes in equity				
Total comprehensive loss	-	-	(55,177)	(55,177)
Dividends declared	-	-	(36,928)	(36,928)
Issue of shares	46	(46)	-	-
Repurchase of shares	(58)	(48,909)	-	(48,967)
At 31 December 2011	<u>2,309</u>	<u>42,522</u>	<u>(31,474)</u>	<u>13,357</u>
At 1 January 2012	2,309	42,522	(31,474)	13,357
Changes in equity				
Total comprehensive loss	-	-	(8,184)	(8,184)
Dividends declared	-	-	(5,197)	(5,197)
Issue of shares	139	133	-	272
Reconstruction	-	(42,522)	42,522	-
At 31 March 2013	<u>2,448</u>	<u>133</u>	<u>(2,333)</u>	<u>248</u>

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 loss of the Company attributable to equity shareholders.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ADAMS PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2013

		Period ended 31 March 2013 €'000	Year Ended 31 December 2012 €'000
Net cash from operating activities	1	(29,781)	15,228
Cash flows from investing activities			
Payments to acquire investments		(115)	-
Interest received		27	269
Loan (advance to)/repayment from subsidiary		(9,723)	72,805
Net cash used in investing activities		<u>(9,811)</u>	<u>73,074</u>
Cash flows from financing			
Issue of ordinary share capital		272	-
Repurchase of share capital		-	(34,901)
Dividends paid		(5,197)	(23,136)
Net cash from financing activities		<u>(4,925)</u>	<u>(58,037)</u>
Net increase in cash and cash equivalents		(44,517)	30,265
Cash and cash equivalents at beginning of period		<u>44,656</u>	<u>14,391</u>
Cash and cash equivalents at end of period		<u><u>139</u></u>	<u><u>44,656</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ADAMS PLC

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2013

1 Reconciliation of operating loss to net cash outflow from operating activities

	2013 €'000	2011 €'000
Loss for the period	(8,184)	(55,177)
Net other finance income	(20,155)	(21,134)
Impairment of investments and loans receivable	28,031	64,969
Legal settlement	-	8,590
Increase in trade and other receivables	384	16,241
(Decrease)/Increase in trade and other payables	(29,857)	1,739
Net cash outflow from operating activities	(29,781)	15,228

2 Analysis of net cash	1 January 2012 €'000	Cash flow €'000	Other non-cash changes €'000	31 March 2013 €'000
Net cash:				
Cash at bank and in hand	44,656	(44,517)	-	139
Liquid resources:				
Current asset investments	-	-	-	-
Debt:				
Debts falling due after one year	-	-	-	-
Net cash	44,656	(44,517)	-	139

3 Reconciliation of net cash flow to movement in net cash

	2013 €'000	2012 €'000
Decrease in cash in the period	(44,517)	30,265
Movement in net cash in the period	(44,517)	30,265
Opening net cash	44,656	14,391
Closing net cash	139	44,656

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

1 General information

Adams PLC is a company incorporated in the Isle of Man. The address of the registered office is disclosed on the company information page at the front of the annual report. The principal activities of the Company are described in the directors' report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS comprises of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

New and amended standards adopted by the Company

The company has adopted the following new and amended IFRSs as of 31 March 2013:

IFRS 1 First-time Adoption of International Financial Reporting Standards (amendment) –Severe Hyperinflation and removal of Fixed Dates for First-time adopters has an effective date for annual periods beginning on or after 1 July 2011. This provides further guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to severe hyperinflation. Early adoption of these standards is permitted. The adoption of this will have no effect on the financial statements of the company.

IFRS 7, 'Financial instruments: disclosures (amendment)', is effective for annual periods beginning on or after 1 July 2011. The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where financial assets are derecognised in their entirety, but where the entity has a continuing involvement in them and where financial assets are not derecognised in their entirety. The adoption of this will have no effect on the financial statements of the company.

IAS 12, 'Income taxes (amendment) – Deferred taxes: recovery of underlying assets', is effective for annual periods beginning on or after 1 January 2012. It introduces a rebuttable presumption that deferred tax on investment properties measured at fair value will be derecognised on a sale basis, unless an entity has a business model that would indicate the investment property will be consumed in the business. If consumed a use basis would need to be adopted. The amendments also introduce the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 should always be measured on a sale basis. The adoption of this interpretation will have no effect on the financial statements of the company.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

2.1 Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2012 and have not been adopted early:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 is effective for annual periods beginning on or after 1 July 2012. Items that would be reclassified to the profit and loss at a future point would be presented separately from items that will never be capitalised. The adoption of this will have no effect on the financial statements of the company.

IAS 19 Employee Benefits (Revised) effective for annual periods beginning on or after 1 January 2013. For defined benefit plans the ability to defer recognition of actuarial gains and losses has been removed. There are new objectives for disclosure stated in the revised standard along with new or revised disclosure requirements. Plus the recognition of termination benefits and the distinction of short-term and other long-term employee benefits have changed. The adoption of this will have no effect on the financial statements of the company.

IFRS 1 'First-time Adoption of International Financial Reporting Standards (amendment) –government loans' has an effective date for annual periods beginning on or after 1 January 2013. This requires an entity to measure government loans with a below-market rate of interest at fair value prospectively to loans entered into on or after the date of transition to IFRSs. Early adoption of these standards is permitted. The adoption of this will have no effect on the financial statements of the company.

IFRS 7 'Financial instruments: disclosures (amendment)', is effective for annual periods beginning on or after 1 January 2013. The amendment requires additional quantitative and qualitative disclosures relating to the offsetting of financial assets and financial liabilities. The adoption of this will have no effect on the financial statements of the company.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests with Other Entities along with related amendments to IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures will have an effective date of 1 January 2013. Early adoption of these standards is permitted, but only if all five are early adopted together.

IFRS 11 Joint Arrangements is effective from 1 January 2013. The core principle of the standard is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing the rights and obligations and accounts for those rights and obligations in accordance with the type of joint arrangement. Joint ventures now must be accounted for using the equity method. Joint operator which is a newly defined term recognises its assets, liabilities, revenues and expenses and relative shares thereof. The adoption of this will have no effect on the financial statements of the company.

IFRS 12 Disclosures of Interests with Other Entities is effective from 1 January 2013. It requires increased disclosure about the nature, risks and financial effects of an entity's relationship with other entities along with its involvement with other entities. The adoption of this will have no effect on the financial statements of the company.

IFRS 13 Fair Value Measurement is effective from 1 January 2013. It defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. It includes a three-level fair value hierarchy which prioritises the inputs in a fair value measurement.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

2.1 Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRS 9, 'Financial instruments: classification and measurement', as issued reflects the first phase of the IASB work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and de-recognition. The adoption of the first phase of IFRS 9 might have an effect on the classification and measurement of the company's assets. At this juncture it is difficult for the company to comprehend the impact on its financial position and performance.

IAS 24 (Amendment), 'Related party transactions'. The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The company does not expect any impact on its financial position or performance.

2.2 Going concern

The financial statements have been prepared on a going concern basis, the validity of which is dependent upon the continuing support of the shareholders, this support will enable the company to continue for the foreseeable future.

The financial statements do not include any adjustments that would result if the above support was withdrawn.

2.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

2.4 Finance income

Finance income represents amounts receivable from related parties and banks.

2.5 Investments

Listed investments are stated at cost less provision for diminution in value.

2.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2.7 Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the company at the statement of financial position date approximated their fair values, due to relatively short term nature of these financial instruments.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

2.8 Trade payables and other non-derivative financial liabilities including long term payables

Trade payables and other creditors are non-interest bearing and are measured at cost.

2.9 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

2.12 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates will, by definition, differ from the related actual results.

2.13 Taxation

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

2.14 Foreign currencies

The functional currency of the Company is considered to be the Euro. It is the currency of the primary economic environment in which it operates. For the purpose of the financial statements, the results and financial position of the Company are presented in Euros as the Company is listed on the Alternative Investment Market and its share price is quoted in Euros.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

3 Financial risk management

The Company may use a limited number of financial instruments, comprising cash, short-term deposits and various items such as other receivables and other payables, which arise directly from operations. The Company does not trade in financial instruments.

3.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks: foreign exchange risk, and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Foreign exchange risk

The Company incurs expenses subject to foreign currency fluctuations.

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and other financial institutions as well as credit exposures to wholesale and retail customers, including outstanding receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

c) Interest rate risk

The company does not have any borrowings therefore there is currently no risk associated with movements in market rates of interest.

d) Liquidity risk

The Company is exposed to liquidity risk to the extent that it holds investments that it may not be able to sell quickly at close to fair value.

e) Capital risk

The company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investment is closely monitored and wherever possible risks of a capital nature are insured.

f) Market risk

The company may operate in many different geographical markets. A general economic downturn at a global level, or in one of the world's leading economies, could impact on the company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the company's operations. These risks are also applicable to most companies and the risk that Adams PLC will be more affected than the majority of companies is assessed as small.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. Actual results could differ from those estimates. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

5 Operating loss

	2013 €'000	2011 €'000
Operating loss is stated after charging:		
Directors emoluments	146	842
Fees payable to the company's auditor for the audit of the company's annual accounts	9	281
	<u> </u>	<u> </u>

6 Finance income

	2013 €'000	2011 €'000
Interest income from financial institutions	27	269
Interest income from subsidiary	20,128	20,865
	<u>20,155</u>	<u>21,134</u>

7 Taxation

	2013 €'000	2011 €'000
Total current tax	<u>-</u>	<u>-</u>

The tax rate applicable to the Company in the Isle of Man is 0% and therefore a full tax rate reconciliation of the relationship between the tax expense and accounting profit has not been included within these financial statements.

Deferred tax asset on these losses at 0% has not been recognised due to the uncertainty of the recovery.

8 Dividends

	2013 €'000	2011 €'000
Interim dividend, paid 2011	-	23,135
Interim dividend, paid January 2012	-	13,793
Special dividend, paid 2013	5,197	-
	<u>5,197</u>	<u>36,928</u>

Further details are set out in note 14.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

9 Investments

	2013 €'000	2011 €'000
Listed investments	115	-

The carrying amount of listed investments approximates to its fair value.

10 Loan to subsidiary

The Company has lent €nil (2011: €236.4 million) to Carpathian Holdings S.à.r.l. at 31 March 2013. The loans were going to mature on 31 December 2015. The loans carried interest at 1% per annum plus 100% of Carpathian Holdings S.à.r.l. adjusted accounting profits for the relevant accounting period, which has been accrued at 31 March 2013 and has been accounted for within trade and other receivables within the Company financial statements. The Company owned 1,641 shares in Carpathian Holdings S.à.r.l., representing 100% of the share capital.

	2013 €'000	2011 €'000
Loan to subsidiary	-	2,950
	-	2,950

The Company has reduced the carrying value of its investments and loans, to equate to the underlying net asset value of its subsidiary.

Following the annual review, a further impairment provision of €9.9 million (2011: €42.9 million) was made during the period.

During the period ended 31 March 2013 a provision was also made for impairment of interest receivable from subsidiary €18.1 million (2011: €22 million).

The Company and its subsidiaries Carpathian Holdings S.à.r.l. and Carpathian Properties S.à.r.l. have entered into a Deed Poll. The Deed Poll provides for any amounts received by the Company and/or those Luxembourg Subsidiaries from other Subsidiaries of the Company (less costs incurred in connection with the solvent liquidation of the Subsidiaries) to be paid out to the Qualifying Shareholders.

The directors are of the opinion that the subsidiaries may be excluded from consolidation on the grounds that there are severe long-term restrictions that substantially hinder the exercise of the rights of the parent over the assets or management of the subsidiaries.

11 Trade and other receivables

	2013 €'000	2011 €'000
Other receivables	-	379
Prepayments and accrued income	11	16
	11	395

The carrying amount of other current assets approximates to its fair value.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

12 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2013 €'000	2011 €'000
Cash and cash equivalents	139	44,656

The carrying amount of cash and cash equivalents approximates to its fair value.

13 Trade and other payables

	2013 €'000	2011 €'000
Trade payables	8	115
Settlement of reinvestment obligations	-	4,770
Accruals and deferred income	9	1,901
Dividends payable	-	13,793
Repurchase of shares	-	14,065
	<u>17</u>	<u>34,644</u>

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

14 Share capital and share premium

	Number of shares issued and fully paid	Share capital €'000	Share premium €'000
Issued			
At 1 January 2011	232,148,175	2,321	91,477
Issue of B shares	232,148,175	23	(23)
Repurchase and cancellation of B shares (see below)	(232,148,175)	(23)	(34,878)
Issue of C shares	232,148,175	23	(23)
Repurchase and cancellation of C shares (see below)	(232,148,175)	(23)	(14,043)
Repurchase of Ordinary Shares (see below)	(1,190,202)	(12)	12
At 31 December 2011	<u>230,957,973</u>	<u>2,309</u>	<u>42,522</u>
At 1 January 2012 – Ordinary Shares	230,957,973	2,309	42,522
Capital reorganisation (see below)	(228,648,394)	-	(42,522)
Issue of new A shares	13,856,813	139	133
At 31 March 2013	<u>16,166,392</u>	<u>2,448</u>	<u>133</u>

A resolution was passed at the 2010 Annual General Meeting approving changes to the Articles of Association on 6 August 2010. In accordance with the Articles, the authorised share capital of the Company amounts to €3,575,000, comprising 350,000,000 Ordinary Shares of 1 euro cent each and 750,000,000 Unclassified Shares of 0.01 euro cent each.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

14 Share capital and share premium (continued)

The Board may, subject to satisfaction of the statutory solvency test, resolve to capitalise any sums standing to the credit of the share premium reserve and appropriate such sums to be capitalised to pay up in full Unclassified Shares, at a price equal to the aggregate par value of such shares, and allot and issue the Unclassified Shares as "B", "C" or "D" Shares in proportion to the existing holdings of Ordinary Shares of the relevant shareholders of the Company. The Board may make up to three separate issues of shares.

On 5 October 2011, the Company issued 232,148,175 "B" Ordinary Shares by way of a bonus issue and capitalised €23,215 standing to the credit of the share premium account.

On 26 October 2011, the Company repurchased and cancelled 139,605,026 "B" Ordinary Shares at a price of 25 euro cents per share, amounting in total to €34.9 million. Holders of the remaining 92,543,149 "B" Ordinary Shares elected to receive a cash dividend of 25 euro cents per share, amounting in total to €23.1 million, following which their "B" Ordinary Shares were automatically converted to 92,543,149 Deferred Shares and on 16 November repurchased and cancelled in full by the Company for an aggregate consideration of 1 euro cent.

On 29 December 2011, the Company issued 232,148,175 "C" Ordinary Shares by way of a bonus issue and capitalised €23,215 standing to the credit of the share premium account.

On 19 January 2012, the Company repurchased and cancelled 117,210,611 "C" Ordinary Shares at a price of 12 euro cents per share, amounting in total to €14.1 million. Holders of the remaining 114,937,564 "C" Ordinary Shares elected to receive a cash dividend of 12 euro cents per share, amounting in total to €13.8 million, following which their "C" Ordinary Shares were automatically converted to 114,937,564 Deferred Shares and on 20 January 2012 repurchased and cancelled in full by the Company for an aggregate consideration of 1 euro cent. These liabilities were provided for in full in the 2011 financial statements.

In December 2011, the Group entered into a Settlement Deed and Release which dealt with all outstanding profit reinvestment obligations of various members and affiliates of Dawnay, Day Group. These arrangements completed in January 2012 and included a net cash payment by the Company of €4.4 million (note 13), the transfer to the Company of 1,190,202 Ordinary Shares, which were subsequently cancelled for a nominal sum, the acquisition by the Group of a loan note in respect of deferred consideration payable (note 13) and the novation of the associated put and call option to the Group (note 3). These arrangements were fully provided for at 31 December 2011 as set out in relevant notes.

A further 1,190,202 Ordinary Shares were cancelled as part of the settlement arrangements with Dawnay, Day Group.

On 8 March 2013 the Company reorganised its Ordinary Shares whereby every 100 of the existing Ordinary Shares of 1 euro cent each were consolidated into one new "A" Ordinary Share of €1.00 which in turn was then sub-divided into one new Ordinary Share with a par value of €0.01 and one Deferred Share with a par value of €0.99.

On 8 March 2013, the Company issued 13,856,813 "A" Ordinary Shares by way of a placing at 2.165 euro cents each to its shareholders.

As at 31 March 2013, 2,309,579 deferred shares of €0.99 par value each were outstanding.

Holders of the Ordinary Shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting.

Holders of all other shares are entitled to receive dividends and other distributions declared on those shares, but are not entitled to any further right of participation in the profits of the Company and are not entitled to attend and vote at any general meeting unless the business of the meeting includes the consideration of a resolution for the winding-up of the Company.

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FOR THE PERIOD ENDED 31 MARCH 2013

15 Loss per share

	2013 €'000	2011 €'000
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:		
Loss after tax attributable to equity holders of the Company	(8,171)	(55,177)
Weighted average number of ordinary shares	3,144,785	2,480,487
Basic and diluted loss per share	<u>(260)€c</u>	<u>(2,224)€c</u>

16 Directors remunerations and fees

	2013 €'000	2011 €'000
Remuneration for qualifying services	<u>146</u>	<u>842</u>

17 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2013 Number	2011 Number
Directors	4	4
Staff	-	-
	<u>4</u>	<u>4</u>

Employment costs

	2013 €'000	2011 €'000
Directors remuneration	146	842
Wages and salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>

18 Control

At the date of the annual report, in the Directors opinion there is no one controlling party. The Directors owned none of the share capital of the Company as at 31 March 2013.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

19 Related party relationships and transactions

The Company has related party relationships with its subsidiaries, companies it has an investment in and transactions with companies that have common management.

The related party transactions relate to the company prior to the capital reorganisation and subsequent name change to Adams Plc. Each of the related parties had a closing position of nil at the date of the reorganisation. As at the accounting year end there were no longer any related party transactions

During the period, the Company entered into the following transactions with related parties:

	2013	2013	2011	2011
	Payables	Income/ (Expenses)	Payables	Income/ (Expenses)
	€'000	€'000	€'000	€'000
Trading transactions				
Accounting and administration fee charged by IOMA Fund and Investment Management Ltd	-	-	-	160
Management fees receivable from Carpathian Eta Kft	-	125	-	-
Management fees payable to Carpathian Asset Management Limited	-	(18)	-	-
Loans payable				
Loan from SIA Patollo	-	-	-	-
Carpathian Holdings S.à.r.l.	-	-	-	-
Carpathian Properties S.à.r.l.	-	-	2,950	-
Carpathian Asset Management Limited	-	-	-	-
	<u>-</u>	<u>107</u>	<u>2,950</u>	<u>160</u>

Carried interest

The Company has acquired from Sanary Investments S.à.r.l. its right to a carried interest for a nominal consideration as part of the Dawnay, Day settlement (note 14).

Bogol Management Ltd had the right to participate in the profits of certain development properties, after certain rates of return have been achieved by the Group. As at 31 December 2012, the rates of return had not been reached and Bogol Management Ltd was not entitled to any participation (31 December 2011: €nil).

Carpathian Asset Management Ltd replaced CPT LLP as the Company's Property Investment Adviser ("adviser") on 30 December 2011. The adviser is entitled to a sales fee of 0.5% of the gross property sale value (including debt but as reduced by certain retentions and indemnity or warranty claims) for each asset within the core portfolio that is sold, rising to a maximum of 1.0% if no other brokers or agents are engaged on the sale. The sales fee is conditional on equity value being released for the benefit of the Company as part of any disposal, and cash received on disposals being made available for distribution to shareholders. Additionally, any payment of the sales fee is pro rata to cash available for return to shareholders arising from the sale on a 50:50 basis until the entire sales fee has been paid in full.

20 Contingent liabilities

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

ADAMS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

21 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

22 Events after the reporting period

There were no events after the reporting period that require disclosure.