

**ADAMS PLC**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED**  
**31 MARCH 2015**

# ADAMS PLC

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# ADAMS PLC

## COMPANY INFORMATION

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<b>Directors</b>	N C P Nelson (non-executive chairman) N J Woolard (non-executive director) M A Bretherton (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
<b>Bankers</b>	Royal Bank of Scotland International Limited 2 Victoria Street Douglas Isle of Man IM99 1NJ  Barclays Bank Plc Barclays House Victoria Street Douglas Isle of Man IM99 1AJ

# **ADAMS PLC**

## **BOARD OF DIRECTORS**

### **FOR THE YEAR ENDED 31 MARCH 2015**

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#### **Nicholas Nelson (Non-executive Chairman)**

Nicholas worked in corporate communications for ten years, prior to which he spent his early career in market making, stockbroking and investment management. He has a close working knowledge of the stock market and has assisted on several AIM flotations. He has held directorships with a number of quoted companies. Nicholas is Chairman of ISDX quoted Equatorial Mining & Exploration Plc, an investment company in the minerals sector.

#### **Nicholas Woolard ACIB, MCSI (Non-executive Director)**

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 the practice and compliance manager of one of the largest Isle of Man law firms and is also a non-executive director of one private company.

#### **Michael Bretherton BA, ACA (Non-executive Director)**

Michael Bretherton has considerable experience through his past directorships of private and public companies. His principal role from May 2006 to July 2014 was that of Finance Director of Channel Islands' based ORA Capital Partners Limited, an investment company with active interests in early stage growth companies. In August 2014 he became Executive Chairman of AIM listed Sarossa Plc which invests in technology companies. Mr Bretherton is a chartered accountant having trained at PriceWaterhouse and acted as Finance Director in a number of public and private firms.

#### **Andrew Mitchell BM, MD, FRCP, FACC, FESC (Non-executive Director)**

Dr Andrew Mitchell is Consultant Cardiologist at Jersey General Hospital and Honorary Consultant at Oxford University Hospitals. Dr Mitchell has published over 160 clinical papers, book chapters and abstracts on areas of clinical cardiology focussing on novel digital health and life science technologies. In addition to his clinical and research work, Dr Mitchell is the founding director of an innovative heart screening company and he also acts as an advisor to digital health start-up companies.

# ADAMS PLC

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2015

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I have pleasure in reporting on the 12 month period ended 31st March 2015.

Following the restructuring and change of name from Carpathian Plc in March 2013, Adams Plc emerged as an investing company focussing on the technology and life sciences sectors. All of the Company's legacy assets, which comprised a collection of Eastern European property interests, were subsequently disposed of or shut down and during the year ended 31 March 2015 the Company completed the restructuring process with the sale of its remaining interest in the former Carpathian subsidiaries for a nominal sum.

The Company delivered a gain of €172,000 on its technology and life science investments in the year to 31 March 2015 versus a corresponding loss of €18,000 in the previous year. As with prior periods, the Board has maintained tight control of expenses with net operating costs for the year of €196,000 and which resulted in a loss after tax of €25,000 compared to a reported loss of €121,000 in the previous year.

At the year end, the Company held two investments both of which are quoted on AIM and had a carrying value of €174,000. Total equity and net assets attributable to shareholders amounted to €250,000 at 31 March 2015 which is €125,000 higher than at the previous year end and mainly reflects the receipt of €150,000 of funds from the issue of new shares in September 2014 from the exercise of warrants at €0.02165 per share.

Following the year end in May we announced the appointment of Michael Bretherton to the Board. Michael is a director of a number of other AIM listed companies and is also a director of ORA Limited which is a provider of investment capital for early stage technology and healthcare companies. Earlier this month, we also announced the appointment of Dr Andrew Mitchell as a non-executive director. Andrew is a Consultant Cardiologist at Jersey General Hospital, St. Helier, and Honorary Consultant Cardiologist at the John Radcliffe Hospital in Oxford. He is the founding director of an innovative heart screening company and he also acts as an advisor to digital health start-up businesses.

Having now completed the restructuring process of Adams Plc in to an investing company, it is my intention to retire after the next Annual General Meeting of the Company on 11 September 2015 and it is proposed that, subject to his re-appointment at that meeting, Michael Bretherton will succeed me as Chairman.

Subsequent to the year end, the Company took advantage of a profitable opportunity to dispose of all of its equity investments on which it realised further gains of €24,035 and generated cash proceeds of €198,035. It remains the Board's intention to acquire investments in the biotechnology and technology sectors and we will continue to maintain a rigorous and highly selective investment approach with a view to exploiting opportunities as they emerge.

The Board looks forward to announcing further news as it arises.

.....  
N C P Nelson  
**Chairman**

10 August 2015

# ADAMS PLC

## DIRECTORS' REPORT AND STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

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The Directors present their report and financial statements for the year ended 31 March 2015.

#### **Principal activities**

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

#### **Investing Policy**

In March 2013, Adams Plc emerged following the restructuring and change of name from Carpathian Plc, formerly an AIM quoted property investing company. Fresh funding was sourced to enable the Company to continue as an AIM company with a view to making investments in the technology and life sciences sectors.

It is the Board's intention to seek to acquire a direct and/or an indirect interest in projects and assets in the biotechnology sector, however they will 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.

It is believed that an opportunity exists to acquire and consolidate holdings in Small and Medium sized Enterprises (SME's) operating in these sectors, with the intention of creating value for shareholders. Initially, the Company's focus will be searching for companies where there may be a number of opportunities to acquire interests in undervalued or pre-commercialisation technologies which when applied produce cost savings or revenue enhancement for customers. Early acquisition of these innovative technologies should provide maximum returns for shareholders.

The Directors see this sector as having considerable growth potential for the foreseeable future and many of the prospects they have identified are in this sector. The Directors will focus on early stage investments and believe that any investment target will have at least one of four key components: a strong management team; an innovative product proposal; revenue enhancing or cost saving capabilities; and high growth potential.

The Company may invest by way of purchasing quoted shares in appropriate companies, outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question. The Company will not have a separate investment manager.

The Company may be both an active and a passive investor depending on the nature of the individual investments. The Board will place no minimum or maximum limit on the length of time that any investment may be held and therefore a short term disposal of any investments cannot be ruled out.

The Directors will however ensure that any investments meet strict due diligence criteria and the primary focus will be on companies post viability testing phase, to mitigate risk associated with early stage investment. This will not preclude the Company from considering investments in suitable projects in other regions and sectors where there are high-growth opportunities.

#### **Review of the business**

The Directors are satisfied with the results for the year and a review of the Company's performance is included in the Chairman's statement

#### **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.

# ADAMS PLC

## DIRECTORS' REPORT AND STRATEGIC REPORT (continued)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 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 year. 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 Company has matured sufficiently. The Company does not use and does not at present intend to use non-financial key performance indicators.

#### Results and dividends

The results for the year are set out on page 9. There were no dividends proposed or paid in the year.

#### Share Capital and funding

Full details of the Company's share capital and movements are given in note 11 of the financial statements.

#### 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 April 2014:

N C P Nelson	
N Woolard	
M A Bretherton	(appointed 26 May 2015)
A R J Mitchell	(appointed 6 August 2015)

#### Secretary

The secretary of the Company holding office for the year ended 31 March 2015 was Philip Scales.

#### Creditor payment policy

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

#### Financial instruments

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

#### Auditors

Our auditors, Jeffrey's Henry LLP, being eligible, have expressed their willingness to continue in office in accordance with Section 12(2) of the Isle of Man Companies Act 1982.

#### 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 four (2014: two) non-executive members.

# ADAMS PLC

## DIRECTORS' REPORT AND STRATEGIC REPORT (continued)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### Directors' remuneration

Details of the Directors' fees are shown below.

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
N. C. P. Nelson	44	14
N. J. Woolard	33	12
	<hr/>	<hr/>
	77	26
	<hr/> <hr/>	<hr/> <hr/>

#### Directors' interest

As at 31 March 2015 Mr Nelson and Mr Woolard did not hold interest in the Company's shares. Mr Bretherton is a 5% shareholder in ORA Limited, which in turn owns 28.1% of the Company.

#### Financial risk management

The Company 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

Following the year end 31 March 2015, the Company took advantage of a profitable opportunity to dispose of all its existing equity investments on which it realised further gains of €24,035 and generated cash proceeds of € 198,035; see note 19 of the financial statements. The Company will continue to adopt a highly selective approach to new investments.

#### 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. Further, the Company continues to actively pursue investment opportunities within the scope of its Investment Policy criteria. The financial statements have accordingly been prepared on a going concern basis.

#### Indemnity of officers

The Company has Directors' and Officers' Insurance to cover against legal action brought against its Directors and officers.

#### Substantial Shareholdings

At 31 March 2015 the following held 3% or more of the share capital of the Company;

- ORA Limited 28.1%
- David Richardson 23.1%
- Robert Qusted 15.4%
- Stephen James 14.6%

#### Annual General Meeting

There is at the back of this document a Notice convening an Annual General Meeting "AGM" of the Company to be held at 11.00am on 11 September 2015 and a form of proxy for use at the meeting is also enclosed. The business of the AGM is set out in that notice.

The ordinary business of the AGM is to approve the accounts of the Company for the year ended 31 March 2015, to re-elect Nicholas Woolard as a Director of the Company, to re-elect of Michael Bretherton as a Director of the Company, to re-elect of Andrew Mitchell as a Director of the Company and to re-appoint Jeffrey's Henry LLP as auditors. The special business of the AGM is to grant the directors authority to allot further Ordinary Shares pursuant to Article 5.1 of the Articles, to disapply the pre-emption rights under Article 5.2 of the Articles and to amend the Articles to require that a majority of the Directors be resident outside of the United Kingdom and that all Director shall only exercise their powers from outside of the United Kingdom.

# ADAMS PLC

## DIRECTORS' REPORT AND STRATEGIC REPORT (continued)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### **Statement of Directors' responsibilities**

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

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. The financial statements are required to 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 proper 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

#### **Statement of disclosure to auditors**

- 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

.....  
M A Bretherton  
**Non-executive Director**

10 August 2015

# ADAMS PLC

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ADAMS PLC

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We have audited the financial statements of Adams PLC for the year ended 31 March 2015, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes on pages 9 to 22. 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 Statement of Directors' responsibilities set out on page 7, 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 and Strategic Report and Chairman's Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union

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

**Chartered Accountants**  
**Statutory Auditor**

10 August 2015

Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE

# ADAMS PLC

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

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	Notes	Year ended 31 Mar 2015 €'000	Year ended 31 Mar 2014 €'000
Net change in fair value of financial assets at fair value through profit or loss	7	<u>172</u>	<u>(18)</u>
<b>Total income</b>		<u>172</u>	<u>(18)</u>
<b>Expenses</b>			
Net foreign exchange gain/(loss)		15	(2)
Administrative expenses	5	<u>(211)</u>	<u>(101)</u>
<b>Operating loss</b>		<u>(25)</u>	<u>(121)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(25)</u>	<u>(121)</u>
Tax on gain/(loss) on ordinary activities	6	-	-
<b>Loss for the year</b>		<u>(25)</u>	<u>(121)</u>
<b>Total comprehensive loss for the year</b>		<u>(25)</u>	<u>(121)</u>
<b>Basic and diluted loss per share</b>	12	(0.1)€c	(0.7)€c

Since there is no other comprehensive loss or gain, the loss for the year is the same as the total comprehensive loss for the year 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 2015

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		31 March 2015	31 March 2014 as restated
	Notes	€'000	€'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	7	<u>174</u>	<u>14</u>
<b>Current assets</b>			
Trade and other receivables	8	10	7
Cash and cash equivalents	9	<u>158</u>	<u>117</u>
		<u>168</u>	<u>124</u>
<b>Total assets</b>		<u>342</u>	<u>138</u>
<b>Equity and Liabilities</b>			
Called up share capital	11	231	162
Share premium	11	214	133
Accumulated deficit		<u>(195)</u>	<u>(170)</u>
<b>Total equity</b>		<u>250</u>	<u>125</u>
<b>Current liabilities</b>			
Trade and other payables	10	<u>92</u>	<u>13</u>
Total current liabilities		<u>92</u>	<u>13</u>
Total liabilities		<u>92</u>	<u>13</u>
<b>Total equity and liabilities</b>		<u>342</u>	<u>138</u>

The financial statements were approved and authorised for issue by the Board on 10 August 2015 and signed on its behalf by:

.....  
N J Woolard

**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 YEAR ENDED 31 MARCH 2015

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	Share Capital	Share Premium	Accumulated (Losses)	Total
	€'000	€'000	€'000	€'000
At 1 April 2013	2,448	133	(2,335)	246
<b>Changes in equity</b>				
Purchase and cancellation of deferred shares – prior year adjustment	(2,286)	-	2,286	-
Total comprehensive (loss)	-	-	(121)	(121)
<b>At 31 March 2014</b>	<b>162</b>	<b>133</b>	<b>(170)</b>	<b>125</b>
At 1 April 2014	162	133	(170)	125
<b>Changes in equity</b>				
Issue of shares	69	81	-	150
Total comprehensive (loss)	-	-	(25)	(25)
<b>At 31 March 2015</b>	<b>231</b>	<b>214</b>	<b>(195)</b>	<b>250</b>

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.

Accumulated 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 YEAR ENDED 31 MARCH 2015

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	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
<b>Loss for the year</b>	(25)	(121)
(Increase)/decrease in trade and other receivables	(3)	4
Increase/(decrease) in trade and other payables	79	(6)
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	51	(123)
<b>Cash flows from investing activities</b>		
Payments to acquire investments /receipts from sales of investments	(160)	101
	<hr/>	<hr/>
<b>Net cash (used)/generated in investing activities</b>	(109)	101
<b>Cash flows from financing</b>		
Issue of ordinary share capital	69	-
Issue of premium share capital	81	-
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	150	-
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	41	(22)
<b>Cash and cash equivalents at beginning of year</b>	117	139
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	158	117
	<hr/> <hr/>	<hr/> <hr/>

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

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 1 General information

Adams PLC is a company incorporated and domiciled 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 and strategic 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 following new standards, amendments to standards and interpretations have been issued and adopted for the financial year beginning 1 April, they do not have a material impact on the Company:

Reference	Title	Summary	Application date of standard
IAS 36	Impairment of assets	Limited scope amendments to disclosure requirements	Periods commencing on or after 1 January 2014
IAS 39	Hedge accounting and novation of derivatives	Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria	Periods commencing on or after 1 January 2014
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015
IAS 32	Financial instruments: Presentation	Clarifies the requirements for offsetting of financial assets and financial liabilities	Periods commencing on or after 1 January 2014

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# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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## 2 Summary of significant accounting policies (continued)

### 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 April 2014 and have not been early adopted:

Reference	Title	Summary	Application date of standard	Application date of Company
Amendment IAS 27	Separate Financial Statements	Allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements.	Periods commencing on or after 1 January 2016	1 January 2017
IFRS 9	Classification and measurement of financial assets	Classification of all financial assets at fair value on initial recognition.	Period commencing on 1 January 2018 or after 1 January 2018	

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### 2.2 Going concern

The financial statements have been prepared on a going concern basis.

When assessing the foreseeable future, the Directors have looked at a period of at least twelve months from the date of approval of this report. The forecast cash-flow requirements are to be financed by funds held at the date of this report.

After making enquiries, the Directors firmly believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 2.3 Compliance with accounting standards

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

### 2.4 Subsidiaries and consolidation

The financial statements include the financial information of the Company only as the directors are of the opinion that the subsidiaries should 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. During the year ended 31 March 2015, the Company sold its remaining interest in its former subsidiaries, Carpathian Holdings sàrl and Carpathian Properties sàrl, for a nominal sum to the former portfolio asset manager, Carpathian Asset Management Limited. The Company no longer has any subsidiaries.

### 2.5 Finance income

Finance income represents amounts receivable from related parties and banks.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### **2 Summary of significant accounting policies (continued)**

##### **2.6 Investments**

Listed investments are designated at fair value through profit or loss.

##### **2.7 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.

##### **2.8 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.

##### **2.9 Trade payables and other non-derivative financial liabilities including long term payables**

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

##### **2.10 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.

##### **2.11 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### **2.12 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.

##### **2.13 Taxation**

The charge for current tax is based on the results for the year 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. 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 AIM and its share price is quoted in Euros.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **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 and therefore there is currently no risk associated with movements in market rates of interest.

d) Liquidity risk

The Company is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of any liabilities.

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 appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels.

### **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.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 5 Operating loss and expense analysis by nature

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Operating loss is stated after charging:		
Directors emoluments	77	26
Audit fees	14	13
Legal and professional fees	98	41
Investor relations	17	15
Other administrative expenses	5	6
Total administrative expenses	<u>211</u>	<u>101</u>

#### 6 Taxation

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Total current tax	<u>-</u>	<u>-</u>

The Company is subject to income tax at the rate of 0% in the Isle of Man and, accordingly, no tax has been provided for in these financial statements.

The Company may be subject to withholding taxes in relation to income from investments, or investment realisation proceeds or gains, and such amounts will be accounted for as incurred.

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

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Equity investments	174	14
Cash at bank	158	117
	<u>332</u>	<u>131</u>

#### Net change in fair value of financial assets at fair value through profit or loss

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Movement in unrealised gains on investments	128	10
Realised gains/(losses) on investments	44	(28)
	<u>172</u>	<u>(18)</u>

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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### 8 Trade and other receivables

	31 March 2015 €'000	31 March 2014 €'000
Prepayments and accrued income	10	7
	<u>10</u>	<u>7</u>

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

### 9 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:

	31 March 2015 €'000	31 March 2014 €'000
Cash and cash equivalents	158	117
	<u>158</u>	<u>117</u>

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

### 10 Trade and other payables

	31 March 2015 €'000	31 March 2014 €'000
Trade payables	6	3
Accruals and deferred income	86	10
	<u>92</u>	<u>13</u>

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

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### 11 Share capital and share premium

	Number of shares issued and fully paid	Share capital €'000	Share premium €'000
<b>Ordinary shares of €0.01</b>			
At 1 April 2013	16,166,392	162	133
At 31 March 2014	16,166,392	162	133
<b>At 1 April 2014</b>			
Issue of new shares	6,928,406	69	81
At 31 March 2015	23,094,798	231	214
<b>Deferred shares of €0.99</b>			
At 1 April 2013	2,309,579	2,286	-
Purchase and cancellation of shares – prior year adjustment	(2,309,579)	(2,286)	-
At 31 March 2014	-	-	-
<b>At 1 April 2014</b>			
At 31 March 2015	-	-	-
<b>Summary Totals</b>			
<b>At 1 April 2013 – as previously stated</b>			
Ordinary shares of €0.01	16,166,392	162	133
Deferred shares of €0.99	2,309,579	2,286	-
		2,448	133
<b>At 31 March 2014</b>			
Ordinary shares of €0.01	16,166,392	162	133
Deferred shares of €0.99	-	-	-
		162	133
<b>At 31 March 2015</b>			
Ordinary shares of €0.01	23,094,798	231	214
Deferred shares of €0.99	-	-	-
		231	214

The prior year adjustment represents the cancellation of the deferred share balance which had been cancelled and adjusted against the accumulated loss reserve.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 11 Share capital and share premium (continued)

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 "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 new Ordinary Shares by way of a placing at 2.165 euro cents each to its shareholders.

On 24 July 2013, the Company purchased 2,309,579 Deferred Shares for an aggregate total €0.99, and these shares were subsequently cancelled.

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

Holders of the Deferred Shares are not entitled to any right of participation in the profits of the Company and are not entitled to attend and vote at any general meeting and would on a winding-up of the Company, be extremely unlikely to receive any repayment of capital after payment of participation entitlements to the holders of the Ordinary Shares

#### Warrants

The Company by resolution of the Board of Directors on 8 March 2013, resolved that Warrants carrying the right to subscribe for up to 6,928,406 Ordinary Shares of €0.01 each in the Company at an exercise price of €0.02165 per share in the period to 8 March 2018 were to be issued to investors who subscribed for Ordinary Shares in a placing conducted by the Company, on the basis of one warrant for every 2 shares acquired.

During September 2014 the shareholders exercised their Warrants and subscribed to 6,928,406 Ordinary shares of €0.01 each in the Company at an exercise of €0.02165 per share. There are no further warrants outstanding at the year end.

#### Authorised share capital

The authorised Ordinary Share capital of the Company at 31 March 2015 is 350,000,000 Ordinary Shares of €0.01 each (31 March 2014 and 31 March 2013: 350,000,000 Ordinary Shares of €0.01 each).

#### 12 Loss per share

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'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 year:		
Loss after tax attributable to equity holders of the Company	(25)	(121)
Weighted average number of ordinary shares	20,456,223	16,166,306
Basic and diluted loss per share	<u>(0.1)€c</u>	<u>(0.7)€c</u>

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 13 Directors' remunerations and fees

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Remuneration for qualifying services	29	26
Bonus	48	-
	<u>77</u>	<u>26</u>

#### 14 Employees

##### Number of employees

The average monthly number of employees (including Directors) during the year was:

	Year ended 31 March 2015 Number	Year ended 31 March 2014 Number
Directors	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

##### Employment costs

	Year ended 31 March 2015 €'000	Year ended 31 March 2014 €'000
Remuneration for qualifying services	29	26
Bonus	48	-
	<u>77</u>	<u>26</u>

#### 15 Control

At the date of the annual report, in the Directors opinion there is no one controlling party.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 16 Related party relationships and transactions

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

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

	2015	2015	2014	2014
	Payables	Expenses	Payables	Expenses
	€'000	€'000	€'000	€'000
<b>Trading transactions</b>				
Accounting and administration fee charged by IOMA Fund and Investment Management Ltd	(16)	(22)	(2)	(8)
	<u>(16)</u>	<u>(22)</u>	<u>(2)</u>	<u>(8)</u>

Mr Bretherton, a Director of the Company, is a 5% shareholder in ORA Limited at the year end, which in turn owned 28.1% of the Company. Mr Bretherton received no director's fee during the year ended 31 March 2015.

#### 17 Contingent liabilities

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

#### 18 Capital commitments

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

#### 19 Events after the reporting period

Following the year end 31 March 2015, the Company disposed of all its equity Investments. On 20 April 2015 the Company disposed of 80,000 shares held on Premaita Health PLC and received a consideration of €27,452. On the same date the Company also disposed of 325,000 shares held on Optibiotix Health PLC with a consideration of €170,583.

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## NOTICE OF ANNUAL GENERAL MEETING

### ADAMS PLC

(Incorporated under the Companies Act 2006 of the Isle of Man and registered in the Isle of Man under number 004145V) (the “**Company**”)

**NOTICE IS HEREBY GIVEN** that the **2015 ANNUAL GENERAL MEETING** of the Company will be held at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP at 11:00am on 11 September 2015.

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At the Annual General Meeting, the following ordinary business will be transacted:

The consideration and, if thought fit, passing of the following resolutions which will be proposed as ordinary resolutions:

1. **THAT** the audited accounts of the Company for the year ended 31 March 2015 and the reports of the Directors and the Auditors and any other document required to be annexed thereto be and they are hereby considered and adopted.
2. **THAT** Nicholas Woolard who, having agreed to retire but, being eligible, offers himself for re-election, be and he is hereby re-appointed as a Director of the Company.
3. **THAT** Michael Bretherton who, having been appointed by the Board of Directors in accordance with article 80 of the Company’s articles of association (the “**Articles**”), and being eligible, be and he is hereby re-appointed as a Director of the Company.
4. **THAT** Andrew Mitchell who, having been appointed by the Board of Directors in accordance with article 80 of the Company’s articles of association (the “**Articles**”), and being eligible, be and he is hereby re-appointed as a Director of the Company.
5. **THAT** Jeffreys Henry LLP, London, United Kingdom be and they are hereby re-appointed as Auditors to the Company and that the Directors be and they are hereby authorised to determine their remuneration.

In addition the following special business will be transacted:

The consideration and, if thought fit, passing of the following resolution which will be proposed as an ordinary resolution:

6. **THAT** the Directors be generally and unconditionally authorised in accordance with article 5.1 of the Articles to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate par value of €230,000; such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next annual general meeting of the Company or, if earlier, the date 12 months after the date of passing this resolution; provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after this authority expires and the Directors may allot such Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

The consideration and, if thought fit, passing of the following resolution which will be proposed as a special resolution:

7. **THAT** the provisions of section 5.2 of the Articles requiring shares proposed to be issued for cash first to be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively be and it is hereby disapplied in relation to any allotment of Ordinary Shares pursuant to the authority in Resolution 6 above; provided that this disapplication shall be limited to the allotment for cash of Ordinary Shares up to an aggregate par value of €230,000 and shall expire (unless and to the extent previously revoked, varied or renewed by special resolution) at the conclusion of the next annual general meeting of the Company or, if earlier, the date 12 months after the date of passing this resolution; provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after this authority expires and the Directors may allot such Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

The consideration and, if thought fit, passing of the following resolution which will be proposed as a special resolution:

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**NOTICE OF ANNUAL GENERAL MEETING (continued)**

8. **THAT** the Articles be amended as follows:

(a) the following words be added to the end of the first sentence of Article 80:

*“and a majority of the Directors shall at all times be resident outside the United Kingdom”;*

(b) the following additional paragraph (c) be added to Article 81:

*“(c) in either case, his appointment would not result in a majority of the Board being resident in the United Kingdom”;*

(c) the following words be added to the beginning of the first sentence of Article 85.2:

*“Subject to the requirement of these Articles that a majority of the Directors shall at all times be resident outside the United Kingdom”,*

and also that the following words be added to the second sentence of Article 85.2 after the word “*themselves*”:

*“and subject to the requirement that a majority of the Directors shall at all times be resident outside the United Kingdom”;*

(d) the following words be added to the end of Article 87(a):

*“provided that no resignation should become effective without an immediate appointment of a replacement Director if it would otherwise result in a majority of the Directors being resident in the United Kingdom”;*

(e) the following words be added to the end of Article 87(f):

*“provided that the vacation does not cause a majority of the Directors to be resident in the United Kingdom”;*

(f) the following additional paragraph (k) be added to Article 87:

*“(k) subsequent to his appointment, he becomes resident in the United Kingdom and as a result thereof the majority of the Directors are resident in the United Kingdom.”;*

(g) the following additional sentence be added to the end of Article 89.1:

*“No person who is resident in the United Kingdom may be appointed as an alternate Director unless his appointor is also so resident.”;*

(h) the following words be added to the first sentence of Article 99 after the word “*place*”

*“outside the United Kingdom”;*

(i) the following words be added to the first sentence of Article 101(a) after the word “*office*”:

*“and who is not resident in the United Kingdom”;*

(j) the following words be added to the end of the first sentence of Article 102.1:

*“provided that:*

*(a) a majority of the members of a committee shall be Directors or alternate Directors the majority of whom are not resident in the United Kingdom;*

*(b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors the majority of whom are not resident in the United Kingdom; and*

*(c) any such committee shall only meet and exercise its powers, authorities and discretions from outside the United Kingdom”;*

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**NOTICE OF ANNUAL GENERAL MEETING (continued)**

(k) the following words be added to the first sentence of Article 103 after the word “*elsewhere*”:

“*outside the United Kingdom*”;

(l) the following additional sentence be added to the end of Article 109:

“*No Board meetings shall take place in the United Kingdom and any decision reached or resolution passed by the Directors at any meeting taking place in the United Kingdom or at which a majority of Directors present are resident in the United Kingdom shall be invalid and of no effect*”;

(m) the following words be added to the end of the first sentence of Article 111:

“*provided that if a majority of the Directors present at the meeting are resident in the United Kingdom the Directors present, irrespective of their number, shall not constitute a quorum and the Directors may not meet*”;

(n) the following words be added to the first sentence of Article 112.1 after the word “*body*”:

“*who is not resident in the United Kingdom*”;

(o) the following words be added to the first sentence of Article 112.2 after the word “*auditor*”:

“*provided that no person who is resident in the United Kingdom may be so appointed*”;

(p) the following words be added after the first sentence of Article 112.3:

“*Any such Director shall only exercise his powers from outside the United Kingdom*”;

(q) the following words be added to the end of the first sentence of Article 113:

“*but only if the effect of the exercise of such a vote is not to render a decision or vote in question one which is reached or passed by a majority of Directors who are resident in the United Kingdom*”;

(r) the following words be added to the first sentence of Article 114 after the word “*alternate*”:

“*(in either case not present in the United Kingdom)*”, and also that the following words be added to the end of the second sentence of Article 114 “*but in no event shall any meeting take place or be deemed to take place in the United Kingdom*”.

**Adams Plc**

Registered office:  
IOMA House  
Hope Street  
Douglas  
Isle of Man  
IM1 1AP

**By Order of the Board**

P P Scales  
Company Secretary  
Dated 10th August 2015

**Notes on entitlement to attend and vote at the Annual General Meeting:**

1. A member who is entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him or her in respect of such shares. A proxy need not be a member of the Company.

2. A Form of Proxy is enclosed which, to be valid, must be completed and delivered, sent by post or sent by facsimile to +44 (0)1624 681392 together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of such authority) to IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP so as to arrive not later than 11:00am on 9 September 2015, being 48 hours before the time of the meeting.

3. Completion and return of a Form of Proxy does not preclude a member from attending and voting in person should they wish to do so.

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## NOTICE OF ANNUAL GENERAL MEETING (continued)

4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), specifies that only those members registered in the register of members as at 11:00am on 9 September 2015 (or in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjournment meeting) shall be entitled to attend or vote at the meeting in respect of the Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 11:00am on 9 September 2015 (or, in the event that the meeting is adjourned, on the register of members less than 48 hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### **Explanatory notes on the business of the Annual General Meeting**

The business of the Annual General Meeting (“**AGM**”) is set out in the notice of AGM.

### **ORDINARY BUSINESS**

The ordinary business of the AGM is to approve the accounts of the Company for the year ended 31 March 2015, to re-elect Nicholas Woolard as a Director of the Company, to re-elect Michael Bretherton as a Director of the Company, to re-elect Andrew Mitchell as a Director of the Company and to re-appoint Jeffreys Henry LLP as auditors.

### **SPECIAL BUSINESS**

The special business of the AGM is to grant the directors authority to allot further Ordinary Shares pursuant to Article 5.1 of the Articles, to disapply the pre-emption rights under Article 5.2 of the Articles and to amend the Articles to require that a majority of the Directors be resident outside of the United Kingdom and that all Director shall only exercise their powers from outside of the United Kingdom.

#### **Authority to allot further Ordinary Shares**

It is proposed to grant the Directors authority to allot further Ordinary Shares in accordance with the Articles. Resolutions 6 and 7 deal with these proposals.

To authorise the directors to allow shares pursuant to Article 5.1, the Articles require that the authority of the Directors to allot shares in the Company should be subject to the approval of Shareholders in general meeting. Resolution 6 will be proposed at the AGM, as an ordinary resolution to authorise the Directors to allot unissued shares of the Company up to a total par value of €230,000, such authority to expire on whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2016 or the date falling twelve months after the passing of this resolution.

To disapply the pre-emption rights under Article 5.2, the Articles require that any shares issued for cash must be offered to existing Shareholders in proportion to their existing holdings unless otherwise approved by Shareholders in general meeting. Accordingly, a special resolution (resolution 7) will be proposed at the AGM, to allow the Directors to allot unissued shares of the Company for cash without first offering them to existing Shareholders, provided that the Directors may not offer shares in this manner which exceed a total par value of €230,000. This authority will expire on the date falling twelve months after the passing of this resolution or the date of the annual general meeting to be held in 2016, whichever is the earlier.

#### **Amendments to the Articles**

It is proposed that a number of amendments be made to the Articles in order to require that a majority of the Directors to be resident outside of the United Kingdom and that all Director shall only exercise their powers from outside the United Kingdom. Accordingly, a special resolution (resolution 8) will be proposed at the AGM to make the necessary amendments to the Articles.