

**ADAMS PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2016**

# ADAMS PLC

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# ADAMS PLC

## COMPANY INFORMATION

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<b>Directors</b>	M A Bretherton (non-executive chairman) N J Woolard (non-executive director) A R J Mitchell (non-executive director)
<b>Secretary</b>	P P Scales
<b>Registrar and Registered office</b>	FIM Capital 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 Cheyne House Crown Court 62-63 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 The Courtyard 17 West Street Farnham Surrey GU9 7DR

# ADAMS PLC

## CHAIRMAN'S STATEMENT

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Adams Plc ("Adams or the Company") generated a gross investment return of €127,000 in the six months ended 30 September 2016 which resulted in profit after tax of €24,000 after deduction of overheads and other costs. This compares to an investment return of €24,000 in the half year to 30 September 2015 and with a corresponding loss after tax of €95,000.

During the six months ended 30 September 2016, the Company spent €110,000 on a new quoted investment which was subsequently exchanged for shares and loan notes in a private company under the terms of a recommended acquisition offer. In addition, the Company generated cash proceeds of €65,000 from the partial realisation of an existing investment.

Adams currently holds 5 investments of which 4 are quoted and 1 is unquoted, and for which the total investment carrying value at 30 September 2016 was €1,037,000 (31 March 2016: €871,000 represented by 4 quoted holdings).

The Company held cash balances of €96,000 at 30 September 2016, compared to cash balances of €258,000 at the previous 31 March 2016 year end. Net assets attributable to holders of Adams at 30 September 2016 were €1,124,000 versus €1,100,000 at 31 March 2016.

### **Business model**

Adams is an investment company focused on targeting businesses in the technology and life sciences sectors which present opportunities for value creation, but will also consider investments in other sectors where appropriate.

### **Investments**

The 4 listed investments currently held by the Company comprise GVC Holdings Plc, Oxford Pharmascience Group Plc, Imagination Technologies Group Plc and Communisis Plc. In addition, the Company holds shares and loan notes in unquoted Sherwood Holdings Limited, which completed the acquisition of Source Bioscience Plc as its principal asset in September 2016.

GVC Holdings Plc is in a global online gaming and sports betting company with a solid on-line platform technology from which it operates some of the leading brands in the gaming sector including bwin, sporting bet, partypoker and foxy bingo.

Oxford Pharmascience Group Plc is a drug development company that re-develops approved drugs to make them better, safer and easier to take and it has a current focus to develop improved formulations of non-steroidal anti-inflammatory drugs (NSAIDs) and statins for global markets.

Imagination Technologies Group Plc is a global technology leader whose products include the key multimedia, communications and general purpose processors needed to power all mobile, consumer, automotive, enterprise and embedded electronics.

Communisis Plc is a leading provider of outsourced digital asset management and personalised customer communication services.

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# ADAMS PLC

## CHAIRMAN'S STATEMENT (CONTINUED)

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Source Bioscience Plc is an international provider of state of the art laboratory services and products and has an expertise in clinical diagnostics, genomics, proteomics, drug discovery & development research and analytical testing services.

### **Outlook**

Financial markets were in recovery mode during the six-month reporting period to 30 September 2016, following the sharp falls in the early part of the year consequent to disappointing manufacturing data from China which also adversely impacted oil and commodity prices. The potential for volatility in capital markets remains given the continued economic uncertainty in the Eurozone post the Brexit vote and given that Donald Trump's victory in the US presidential elections will have implications for the whole global economy.

The Board will, therefore, continue to maintain a highly selective investment approach in these uncertain and challenging markets.

Michael Bretherton

**Chairman**

29 November 2016

# ADAMS PLC

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

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	Note	6 months ended 30 Sep 2016 (Unaudited) €'000	Year ended 31 Mar 2016 (Audited) €'000	6 months ended 30 Sep 2015 (Unaudited) €'000
Gain on investments	5	121	30	24
Dividend income	5	6	-	-
<b>Gross investment return</b>		<b>127</b>	<b>30</b>	<b>24</b>
<b>Expenses</b>				
Net foreign exchange loss		(15)	(45)	(3)
Administrative expenses		(88)	(219)	(116)
<b>Operating profit/(loss)</b>		<b>24</b>	<b>(234)</b>	<b>(95)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>24</b>	<b>(234)</b>	<b>(95)</b>
Tax on profit/(loss) on ordinary activities		-	-	-
<b>Profit/(loss) for the period</b>		<b>24</b>	<b>(234)</b>	<b>(95)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>24</b>	<b>(234)</b>	<b>(95)</b>
<b>Earnings/(loss) per ordinary share</b>				
Basic and diluted	10	0.06€c	(0.72)€c	(0.40)€c

There are no other items of comprehensive income/(loss).

# ADAMS PLC

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

	Note	As at 30 Sep 2016 (Unaudited) €'000	As at 31 Mar 2016 (Audited) €'000	As at 30 Sep 2015 (Unaudited) €'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments	6	1,037	871	247
<b>Current assets</b>				
Trade and other receivables	7	8	3	5
Cash and cash equivalents		96	258	1,012
		104	261	1,017
<b>Total assets</b>		<b>1,141</b>	<b>1,132</b>	<b>1,264</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	8	(17)	(32)	(25)
Total liabilities		(17)	(32)	(25)
Net current assets		87	229	992
<b>Net assets</b>		<b>1,124</b>	<b>1,100</b>	<b>1,239</b>
<b>Equity</b>				
Called up share capital	9	413	413	413
Share premium	9	1,116	1,116	1,116
Retained earnings deficit		(405)	(429)	(290)
<b>Total shareholder equity</b>		<b>1,124</b>	<b>1,100</b>	<b>1,239</b>

The interim report on pages 4 to 11 was approved and authorised for issue by the Board of Directors on 29 November 2016 and signed on its behalf by:

Michael Bretherton  
Chairman

# ADAMS PLC

## STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

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	Share Capital €'000	Share Premium €'000	Retained Earnings Deficit €'000	Total €'000
<b>At 1 April 2015</b>	231	214	(195)	250
Issue of shares	182	902	-	1,084
Total comprehensive loss for period	-	-	(95)	(95)
<b>At 30 September 2015</b>	413	1,116	(290)	1,239
Total comprehensive loss for period	-	-	(139)	(139)
<b>At 31 March 2016</b>	413	1,116	(429)	1,100
Total comprehensive gain for period	-	-	24	24
<b>At 30 September 2016</b>	413	1,116	(405)	1,124

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

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

Retained earnings deficit represents the cumulative losses of the Company attributable to equity shareholders.



# ADAMS PLC

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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	6 months ended 30 Sep 2016 (Unaudited) €'000	Year ended 31 Mar 2016 (Audited) €'000	6 months ended 30 Sep 2015 (Unaudited) €'000
<b>Profit/(loss) for the period</b>	24	(234)	(95)
Unrealised (gain)/loss on revaluation of investments	(107)	32	(4)
Realised gain on disposal of investments	(14)	(62)	(20)
(Increase)/decrease in trade and other receivables	(5)	7	5
(Decrease) in trade and other payables	(15)	(60)	(67)
<b>Net cash outflows from operating activities</b>	<b>(117)</b>	<b>(317)</b>	<b>(181)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of investments	65	357	193
Purchase of investments	(110)	(1,024)	(242)
<b>Net cash used in investing activities</b>	<b>(45)</b>	<b>(667)</b>	<b>(49)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital	-	182	182
Issue of premium share capital	-	902	902
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>1,084</b>	<b>1,084</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(162)</b>	<b>100</b>	<b>854</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>258</b>	<b>158</b>	<b>158</b>
<b>Cash and cash equivalents at end of period</b>	<b>96</b>	<b>258</b>	<b>1,012</b>

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# ADAMS PLC

## NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

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#### 1 General information

Adams Plc is a company incorporated in the Isle of Man and is listed on the AIM market of the London Stock Exchange.

#### 2 Basis of preparation

The interim financial statements of Adams Plc are unaudited condensed financial statements for the six months ended 30 September 2016. These include unaudited comparatives for the six months ended 30 September 2015 together with audited comparatives for the year ended 31 March 2016.

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

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting', and should be read in conjunction with the Company's annual financial statements to 31 March 2016. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

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

#### 3 Going concern

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

#### 4 Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Adams Plc for the year ended 31 March 2016 which received an unqualified audit opinion. A copy of these financial statements are available on the website at [www.adamsplc.co.uk](http://www.adamsplc.co.uk)

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

#### 5 Gross investment return

The principal sources of revenue for the Company in the period to 30 September 2016 were as follows:

	6 months ended 30 Sep 2016 €'000	Year ended 31 Mar 2016 €'000	6 months ended 30 Sep 2015 €'000
Unrealised gain/(loss) on investments	107	(32)	4
Realised gain on investments	14	62	20
<b>Total gain on investments</b>	<b>121</b>	<b>30</b>	<b>24</b>
Dividend income	6	-	-
<b>Gross investment return</b>	<b>127</b>	<b>30</b>	<b>24</b>

#### 6 Investments

An analysis of movements in the value of the Company's investments is as follows:

	Quoted Equity Shares €'000	Unquoted Equity Shares €'000	Unquoted Loan Notes €'000	Total €'000
<b>Fair value at 31 March 2015</b>	174	-	-	174
Additions at cost	242	-	-	242
Disposals	(173)	-	-	(173)
Unrealised gain on the revaluation of investments	4	-	-	4
<b>Fair value at 30 September 2015</b>	247	-	-	247
Additions at cost	782	-	-	782
Disposals	(122)	-	-	(122)
Unrealised loss on the revaluation of investments	(36)	-	-	(36)
<b>Fair value at 31 March 2016</b>	871	-	-	871
Additions at cost	110	-	-	110
Disposals	(51)	-	-	(51)
Transfer exchange*	(103)	6	97	-
Unrealised gain on the revaluation of investments	107	-	-	107
<b>Fair value at 30 September 2016</b>	<b>934</b>	<b>6</b>	<b>97</b>	<b>1,037</b>

\*A quoted investment was exchanged for shares and loan notes in a private company under the terms of a recommended acquisition offer. The unquoted loan notes carry an interest coupon of 10 per cent per annum payable annually in December. The loan notes are repayable in full at their principal amount on 31 December 2023.

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

#### 7 Trade and other receivables

	As at 30 Sep 2016 €'000	As at 31 Mar 2016 €'000	As at 30 Sep 2015 €'000
Prepayments and accrued income	8	3	5
	<u>8</u>	<u>3</u>	<u>5</u>

#### 8 Trade and other payables

	As at 30 Sep 2016 €'000	As at 31 Mar 2016 €'000	As at 30 Sep 2015 €'000
Trade payables	12	14	12
Accruals	5	18	13
	<u>17</u>	<u>32</u>	<u>25</u>

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

#### 9 Share capital and share premium

	Number of shares issued and fully paid up	Share capital €'000	Share premium €'000
<b>Ordinary shares of €0.01</b>			
<b>At 1 April 2015</b>	<u>23,094,798</u>	<u>231</u>	<u>214</u>
Issue of shares	6,928,406	69	81
<b>At 30 September 2015, 31 March 2016 and 30 September 2016</b>	<u>41,276,616</u>	<u>413</u>	<u>1,116</u>

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

The authorised Ordinary Share capital of the Company at 30 September 2016 is 350,000,000 Ordinary Shares of €0.01 each (31 March 2016 and 30 September 2015: 350,000,000 Ordinary Shares of €0.01 each).

# ADAMS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2016

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#### 10 Earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) after tax attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	6 months ended 30 Sep 2016	Year ended 31 Mar 2016	6 months ended 30 Sep 2015
Profit/(loss) after tax attributable to equity holders of the Company (€'000)	24	(234)	(95)
Weighted average number of ordinary shares	41,276,616	32,559,306	23,889,632
Basic and diluted earnings/(loss) per share	0.06€c	(0.72)€c	(0.40)€c

There were no potentially dilutive shares in issue as at 30 September 2016, 31 March 2016 and 30 September 2015.