ADAMS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Directors, Officers and Advisers

Directors

M A Bretherton	Chairman
N J Woolard	Non-executive director
A R J Mitchell	Non-executive director

Secretary
P P Scales

Registrar and Registered office
FIM Capital 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
Cairn Financial Advisers LLP
Cheyne House
Crown Court
62-63 Cheapside
London
EC2V 6AX

Broker
Peterhouse Capital Limited
3 Liverpool House
15 Eldon Street
London
EC2M 7LD

Crest Agent
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

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Chairman's Statement

for the year ended 31 March 2018

The presentational currency of Adams Plc ("Adams" or the "Company") was changed during the year from Euros to Pounds Sterling. This change in the reporting currency of the Company was made to reflect the fact that the Company no longer has Euro based operations, assets or significant transactions denominated in Euros. In accordance with accounting standards, the comparative financial information for the year ended 31 March 2017 as previously reported in Euros, has been restated into Pounds Sterling using the procedures outlined in note 2.13 to the financial statements.

Adams reported a profit after tax of £180,000 for the year ended 31 March 2018 compared to a profit of £77,000 in the prior year. The increase in profitability is principally due to higher reported gains on the valuation of investments.

During the year, the Company spent £1.59 million on the purchase of additional investments and realised proceeds of £0.73 million from investment disposals. The carrying value of investments at 31 March 2018 was £2.08 million, represented by three listed and three unlisted investment holdings, versus £0.94 million at 31 March 2017, represented by four listed and one unlisted investment holdings.

Net assets increased to £2.11 million (equivalent to 2.55p per share) at the 31 March 2018 balance sheet date, compared with £0.95 million (equivalent to 2.29p per share) at the previous year end. The increase in net assets reflects net proceeds of £0.98 million received from new share subscriptions, together with the profit of £0.18 million reported for the year.

Cash and cash equivalent balances were £52,000 at 31 March 2018 compared to cash balances of £35,000 at 31 March 2017.

Underwritten open offer and majority shareholder controlled undertaking

In order to provide the Company with additional resources with which to fund its investment strategy, the Company raised £0.98 million (after expenses) in June 2017 pursuant to an underwritten open offer of 41,276,616 Ordinary Shares at 2.5p per share. Under the open offer, existing shareholders had an opportunity to subscribe for new shares at the 2.5p issue price by taking up their respective open offer entitlements which were calculated on a *pro rata* basis to their holding in the existing shares.

The open offer was fully underwritten by the Company's largest shareholder, Richard Griffiths and following the open offer, which was approved by shareholders on 28 June 2017, the number of Adams Ordinary Shares in issue increased to 82,553,232 and consequent to the subscription and underwriting shares issued to Richard Griffiths, his holding increased to 63.8 per cent of the Company's issued share capital. As a result, Adams became a controlled undertaking of Richard Griffiths who will, if he so wishes, be able to further increase his interests in Adams shares without making a mandatory offer to the remaining shareholders. Subsequent to the open offer, Richard Griffiths has purchased further Adams shares in the AIM market such that his current holding in the Company is now 77.3 per cent.

The Company, Cairn Financial Advisers LLP (who are the Company's Nominated Advisor) and Richard Griffiths entered into a relationship agreement dated 2 June 2017, which governs the relationship between the Company and Richard Griffiths following the open offer, to ensure that the Company shall be managed independently for the benefit of shareholders as a whole.

Business model and change of investing policy

On 8 September 2017, shareholders approved a proposal by the Company's Directors to revise the investing policy to one which provides the Board with a broader, more flexible approach to creating shareholder value. The existing policy at that time was focused on targeting undervalued or pre-commercialisation projects and assets in the biotechnology sector, whilst also considering opportunities in the wider technology and other sectors.

Under the revised investing policy, the Board is seeking to acquire interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that they perceive to be undervalued. The principal focus is in the small to middle-market capitalisation sectors in the UK or Europe, but the Directors will also consider possible special situation opportunities anywhere in the world if they believe there is an opportunity to generate added value for shareholders.

Investment Portfolio

The listed investments currently held by the Company comprise Petrofac Limited, Eland Oil & Gas Plc and Communisis Plc. In addition, the Company holds shares and loan notes in unquoted Sherwood Holdings Limited and unquoted shares in both Abaco Capital Plc and Oxford Pharmascience Limited.

Petrofac is a multinational service provider to the oil and gas production and processing industry. The company designs, builds, operates and maintains oil and gas facilities with a focus on delivering first class project execution, cost control and effective risk management. Petrofac has a 36-year track record and has grown significantly to become a constituent of the FTSE 250 Index. The company has 31 offices and approximately 13,500 staff worldwide, comprising more than 80 nationalities.

Eland is an independent oil and gas company with the principal business objective of identifying, acquiring and developing interests in oil and gas assets in West Africa, focused initially on Nigeria including the prolific Niger Delta.

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

Abaco Capital (formerly Oxford Pharmascience Plc) underwent a demerger of its Oxford Pharmascience Limited business on 21 December 2017 and subsequently cancelled its AIM listing on 9 May 2018. The company is now in the process of undertaking a members' voluntary liquidation and a distribution of funds to shareholders. The total amount expected to be available to distribute to shareholders is *circa* £19.0 million, on which basis Adams would receive approximately £30,000, and the distribution is expected to occur in the period around September to November 2018.

Oxford Pharmascience (as demerged from Abaco Capital) is a drug development company that redevelops 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.

Source Bioscience 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.

Corporate action proposals

Following the change in the presentational currency of Adams from Euros to Pounds Sterling during the year, it is proposed that a redenomination of the Company's share capital from Euros into Pounds Sterling is also undertaken, with the par value of the Ordinary Shares converting from €0.01 to £0.01, and that the AIM quotation of its Ordinary Shares is also subsequently changed from Euros to Pounds Sterling.

In addition, it is proposed that part of the Company's share premium be applied to eliminate the foreign currency translation reserve and that the balance of the share premium be reclassified as distributable reserves and that the Directors are authorised to purchase the Company's own Ordinary Shares in the open market subject to certain conditions and limited to a maximum of 14.99 per cent of the issued share capital of the Company. The Directors believe that the ability of the Company to purchase its own shares offers an important mechanism for managing capital efficiently. In particular, the Directors may wish to take advantage of circumstances where a purchase of its own shares would represent good use of the Company's available cash resources and increase net asset value per share and shareholder value.

The full detail of these corporate action proposals is included in the enclosed Notice of Annual General Meeting for the AGM which is to be held at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP on 10 August 2018 at 11 a.m.

Chairman's Statement (continued)

for the year ended 31 March 2018

Outlook

Global economic growth was stronger than expected in 2017, with a recovery in investment, manufacturing, and trade becoming visible. More moderate economic growth is forecast for 2018 as central banks gradually remove their post crisis fiscal accommodation. However, these positive growth trends must be tempered by the increasing threat of a decrease in liberalised global trade and the potential for the escalation of political tensions between advanced trading nations. Despite these macro considerations the Adams Directors are confident in the underlying fundamentals, technologies and growth potential of the companies within our investment portfolio.

The Board continues to seek attractive investment opportunities coupled with a focus on financial discipline as the strategy to best navigate challenging markets and the uncertain global climate. We remain committed to delivering additional value for our shareholders going forward.

Michael Bretherton
Chairman
26 June 2018

Strategic Report

for the year ended 31 March 2018

The Directors present their Strategic Report with the Financial Statements for Adams Plc ('Adams' or 'the Company') for the year ended 31 March 2018.

Principal activity and business model

Adams is an investing holding and management company whose principal activity is the investment in businesses which present opportunities for value creation.

During the financial year the Directors proposed a revised investment policy for the Company, which was approved by shareholders at an Extraordinary General Meeting held on 8 September 2017. The former investment strategy of the Company focused on undervalued investment opportunities in the biotechnology and wider technology sectors. The current revised investment policy of the Company is:

The Board will seek to acquire a direct and/or indirect interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that they perceive to be undervalued. The principal focus will be in the small to middle-market capitalisation sectors in the UK or Europe but the Directors will also consider possible special situation opportunities anywhere in the world if they believe there is an opportunity to generate added value for Shareholders.

The Directors intend to identify investment opportunities offering the potential to deliver a favourable return to Shareholders over the medium to long term, primarily in the form of a capital gain. A particular consideration will be to identify businesses which, in the opinion of the Directors, are undervalued due to any of a number of special situations that adversely impact the business's short-term prospects and/or underlying value but which business interests the Directors believe have a solid fundamental core or sound development potential to present opportunities for value creation.

The Company's interest in a potential investment may range from a minority position to 100 per cent ownership and the interest may be either quoted or unquoted. Investments may be made in shares, or by the acquisition of assets (including intellectual property) of a relevant business, or by entering into partnerships, joint ventures, equity derivatives, contracts for differences or other equity or debt related securities that the Board deem appropriate.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules.

While the Directors intend to take into account the level of existing funds available for investment when assessing the amount of any investment, it is not proposed that there be any maximum investment limit.

The Company may be both an active and a passive investor depending on the nature of the individual investments. Although the Company intends to be a medium to long term investor, there will be no minimum or maximum limit on the length of time that any investment may be held and short-term investments may be made.

The Company will not have a separate investment manager.

The Company may require additional funding as investments are made and new opportunities arise. The Directors may offer new Ordinary Shares by way of consideration, as well as cash, thereby helping to preserve the Company's cash resources. The Company may, in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment.

Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value other than at the time of publication of its half year and annual results.

The Board's principal focus will be on achieving capital growth for Shareholders.

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Strategic Report (continued)

for the year ended 31 March 2018

Review of the business

A review of the Company's performance and future prospects is included in the Chairman's Statement on pages 2 to 4.

Key performance indicators

Key Company performance indicators are set out below:

	31 March 2018	31 March 2017
Net assets (£'000)	2,109	946
Net asset value per share (£)	0.0255	0.0229
Profit after tax (£'000)	180	77
Cash and short-term deposits with banks (£'000)	52	35

Profit and loss

The Company reported a profit after tax for the year ended 31 March 2018 of £180,000 compared to a profit of £77,000 in the previous year. The increase in profitability during the current financial year is principally due to an increase in unrealised revaluation gains on the valuation of investments.

The Company continued to operate a low cost base with administrative costs of £155,000 being incurred versus £147,000 for the previous year.

Balance sheet

Net assets increased to £2.11 million at the 31 March 2018 balance sheet date, compared with a sterling equivalent of £0.95 million at the 31 March 2017 prior financial year end.

The carrying value of investments at 31 March 2018 was £2.08 million (represented by six investment holdings) versus £0.94 million at 31 March 2017 (represented by five investment holdings).

Cash and cash equivalent balances were £52,000 at 31 March 2018 compared to cash balances of £35,000 at 31 March 2017.

Cash flow

The Company's cash balances increased by £17,000 during the year. This increase mainly reflects £983,000 of additional share capital raised, together with investment disposal proceeds of £730,000 and dividend receipts of £45,000, less cash outflows of £1,591,000 spent on the purchase of additional investments and £155,000 spent on overheads costs.

Directors

The Company has three employees, all of whom are male and Directors of the Company. The profile of the Directors and their remuneration is detailed in the Directors' Report on pages 8 and 9.

General Data Protection Regulation

As widely reported, the European Union's General Data Protection Regulation, ("GDPR") came into effect on 25 May 2018. Adams has assessed its responsibilities in respect of the regulation and as a result has adopted and published a GDPR compliant privacy policy, a copy of which is available on the Company website.

Risk review

The Company's exposure to various risks and risk management objectives are detailed in Note 3.

The primary risks arising from the Company's operations are considered to be market risk, credit risk and liquidity risk. The Directors review and agree policies for managing risk at least annually.

Market risk
Price risk
The Company is exposed to market price risk in respect of its portfolio investments. The Company mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

Interest rate risk
The Company has no external financing facility; therefore its interest rate risk is limited to the level of interest received on its cash surpluses. Interest rate risk on cash, cash equivalents and short-term deposits is partially mitigated by using an element of fixed-rate accounts and short-term deposits.

Credit risk
The Company's principal financial assets are its portfolio investments, its bank balances and cash held on deposit with institutions. The Company seeks to reduce such risk by only placing assets with institutions that have good credit ratings. The credit risk associated with portfolio and trading investments is considered to be minimal.

Liquidity risk
The Company seeks to manage liquidity by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Company had cash, cash equivalents and short-term deposit balances of £0.05 million as at 31 March 2018 (31 March 2017: £0.03 million).

In order to minimise risk to the Company's capital, funds are invested across a number of financial institutions with strong credit ratings. Cash forecasts are updated regularly to ensure that there is sufficient cash available for foreseeable requirements. The Directors are satisfied that given current cash balances, the liquidity of the investments held and the low running cost base of the Company the going concern assumption remains valid.

External risks
The global political and economic landscapes continue to be considered the key external risks faced, with the ability of both to adversely impact the performance of the Company. The key factors comprise a potential shift towards a decrease in global liberalised trade, uncertainty with respect to the continuing terms of existing economic trade areas and the transition to an environment of increasing interest rates and decreasing government stimulus programs. Despite this, economic data has shown signs of positive global growth which is forecast to continue. Such factors continue to impact the markets in which the Company operates, in terms of investment valuations and investor sentiment and pose risks to the operations, performance and growth of the investment portfolio companies.

Future development
The Board continues to seek investment opportunities which will generate value for shareholders in the near to medium term. In this aim the Board will maintain its rigorous and selective investment approach and seek to achieve capital growth through exploiting opportunities as they emerge.

Approved on behalf of the Board

A Mitchell
Non-executive Director
26 June 2018

Directors' Report

for the year ended 31 March 2018

The Directors present the report and financial statements of Adams Plc for the year ended 31 March 2018.

Principal activities
Adams Plc is an AIM listed investment company and 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.

Results and dividends
The presentational currency of Adams Plc was changed during the year from Euros to Pounds Sterling. This change in the reporting currency of the Company was made to reflect the fact that the Company no longer has Euro based operations, assets or significant transactions denominated in Euros. In accordance with accounting standards, the comparative financial information for the year ended 31 March 2017 as previously reported in Euros, has been restated into Pounds Sterling using the procedures outlined in note 2.13 to the financial statements.

The results for the year are set out on page 16. There were no dividends proposed or paid in the current or prior financial years.

Share capital and funding
Full details of the Company's share capital and movements thereof are given in note 14 of the financial statements.

Secretary
The Secretary of the Company holding office for the year ended 31 March 2018 was Philip Scales.

Directors
The following Directors have held office since 1 April 2017:

M A Bretherton
N Woolard
A R J Mitchell

Profile of the Directors

Michael Bretherton BA, ACA (Chairman)
Michael was appointed as a non–executive Director in May 2015 and subsequently took on the role of Chairman in September 2015. Michael is Chief Executive Officer of the investment company Sarossa Plc, is a director of ORA Limited, which provides investment capital for early stage technology companies, and is also a director of Cronin Group Plc, a company involved in the digitization of chemical space. In addition, Michael has been a director of six other AIM quoted companies during the last five years, including Nanoco Group Plc, Ceres Power Holdings Plc, Tissue Regenix Group Plc and Oxford Pharmascience Group Plc. He has a degree in Economics from Leeds University and is a member of the Institute of Chartered Accountants in England and Wales. His early career included working as an accountant and manager with PriceWaterhouse in London and the Middle East, followed by finance roles at the Plessey Company Plc, Bridgend Group Plc, Mapeley Limited and Lionhead Studios Limited.

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 a private company.

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 focusing 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.

Directors' remuneration

Details of the Directors' fees are shown below.

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
M A Bretherton	15	15
N J Woolard	18	18
A R J Mitchell	15	15
	48	48

Directors' interests

As at 31 March 2018, Mr Bretherton, Mr Woolard and Mr Mitchell did not hold any interest in the Company's shares (2017: nil).

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, Jeffreys 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

The Company is not required to and does not comply with the UK Corporate Governance Code. However the Directors recognise the importance of sound corporate governance and observe the principles of the QCA Corporate Governance Code 2018, to the extent that they consider them appropriate for the Company's size.

Going concern

At 31 March 2018, the Company had £0.05m (2017: £0.03m) of cash, cash equivalents and short-term deposits available to it. The Directors have considered their obligation in relation to the assessment of the going concern of the Company and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Company.

After due enquiry, the Directors consider 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.

Directors' Report (continued)

for the year ended 31 March 2018

Indemnity of officers

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

Substantial Shareholdings

Following the open offer made to shareholders in June 2017, by virtue of his shareholding, Richard Griffiths exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3 per cent or more of the issued ordinary share capital of the Company as at 22 June 2018:

Richard Griffiths	77.3 per cent
Lombard Odier Asset Management	9.9 per cent
David Richardson	9.7 per cent

Annual General Meeting

There is, enclosed within this document, a Notice convening an Annual General Meeting "AGM" of the Company, to be held at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP on 10 August 2018 at 11 a.m. A form of proxy for use at that meeting is also enclosed. The business of the AGM is set out in the Notice, and includes the usual business of the Company and also additional special business covering the following areas:

- The redenomination of the Company's share capital from Euros to Pounds Sterling and at the same time the removal from the Company's authorised share capital all of the unissued Unclassified and Deferred Shares which have never been used and are surplus to requirements. Resolution 4 deals with this proposal and with the amendments to the Articles that will be required to reflect it.
- The cancellation of part of the Company's share premium and applied to eliminate the deficit on foreign currency translation reserve. Resolution 5 deals with this proposal.
- The reclassification of the remainder of the Company's share premium as distributable reserves. Resolution 6 deals with this proposal.
- The authority for the Directors to purchase for the Company its own Ordinary Shares in the open market, subject to certain conditions and limited to a maximum of 14.99 per cent of the issued share capital of the Company. Resolution 9 deals with this proposal.

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:

A Mitchell
Non-executive Director
26 June 2018

Independent Auditors’ Report

to the members of Adams Plc

Opinion

We have audited the financial statements of Adams Plc for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Company’s affairs as at 31 March 2018 and of the profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments	
The Company has total investments of £2,076,000 (2017: £935,000) at 31 March 2018. During the year there were net additions of quoted investments of £1,581,000 and disposals of quoted investments of £687,000 and an unrealised gain on the revaluation of investments of £237,000.	Agreed the movement of investments in the period. Agreed the valuation of the quoted investments to the 3rd party investment schedule. Agreed the share price of quoted investments to market prices. Reviewed the calculations of the movements and disposals.
Going concern assumption	
The Group is dependent upon its ability to generate sufficient cash flows to meet continued operational costs and hence continue trading. This income is derived from dividend and interest income and gains/ disposals of investments. The going concern assumptions is dependent on future growth of the current business. No future capital raises were being considered to maintain the business.	Evaluated the suitability of management's model for the forecast. The forecast includes assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.
Change in presentation and functional currency	
During the year the Company has changed both its presentation and functional currency from Euro to GBP. The change in presentational currency is classified as a change in accounting policy which is accounted for retrospectively. This change requires the translation of various balances at different foreign exchange rates.	Reviewed the workings of the currency translation calculations. Checked that the disclosures in both the accounting policies and notes due to the changes in presentation and functional currency adhere to the IFRS guidance.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined a materiality of £24,000 (2017: £20,000) for the financial statements as a whole. We determined it based on the average of 3 per cent on income, 10 per cent of profit before tax and 2 per cent of gross assets. We believe that profit before tax is the primary measure used by the shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,200 (2017: £1,200) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report (continued)

to the members of Adams Plc

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which they operate.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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 auditor's 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.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Sachin Ramaiya (Senior Statutory Auditor)
for and on behalf of Jeffreys Henry LLP (Statutory Auditor)
Finsgate
5-7 Cranwood Street
London EC1V 9EE

26 June 2018

Statement of Comprehensive Income

for the year ended 31 March 2018

Statement of Income

	Notes	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Dividend income		45	15
Gain on investments	5	280	204
Investment return		325	219
Expenses			
Administrative expenses	8	(155)	(147)
Operating profit		170	72
Interest income		10	5
Profit on ordinary activities before taxation		180	77
Tax on profit on ordinary activities	9	–	–
Profit for the year		180	77
Basic and diluted profit per share	10	0.25p	0.18p

Statement of Comprehensive Income

	Notes	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Profit for the year		180	77
Other comprehensive expense			
Exchange differences arising on change in reporting currency	15	–	(2)
Total comprehensive gain for the year		180	75

The accounting policies and explanatory notes on pages 20 to 30 form an integral part of the financial statements

Statement of Financial Position

as at 31 March 2018

	Notes	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Assets				
Non-current assets				
Investments	11	2,076	935	690
Current assets				
Prepayments	12	2	2	2
Cash and cash equivalents		52	35	204
Current assets		54	37	206
Total assets		2,130	972	896
Liabilities				
Current liabilities				
Trade and other payables	13	(21)	(26)	(25)
Total liabilities		(21)	(26)	(25)
Net current assets		33	11	181
Net assets		2,109	946	871
Equity				
Called up share capital	14	1,001	636	636
Share premium	14	1,401	783	783
Foreign currency translation reserve	15	(244)	(244)	(242)
Accumulated losses		(49)	(229)	(306)
Total shareholder equity		2,109	946	871

The financial statements were approved and authorised for issue by the Board on 26 June 2018 and signed on its behalf by:

Michael Bretherton
Chairman

Company number – 004145V (Isle of Man)

The accounting policies and explanatory notes on pages 20 to 30 form an integral part of the financial statements

Statement of Changes in Equity

for the year ended 31 March 2018

	Notes	Share Capital £'000	Share Premium £'000	Foreign currency translation reserve £'000	Accumulated Losses £'000	Total £'000
At 1 April 2016		636	783	(242)	(306)	871
Changes in equity						
Total comprehensive gain		–	–	(2)	77	75
At 31 March 2017		636	783	(244)	(229)	946
Changes in equity						
Issue of shares	14	365	618	–	–	983
Total comprehensive gain		–	–	–	180	180
At 31 March 2018		1,001	1,401	(244)	(49)	2,109

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 the shares, net of share issue expenses.

The foreign currency translation reserve arose on the restatement of comparative prior year figures from Euros to Pounds Sterling.

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

The accounting policies and explanatory notes on pages 20 to 30 form an integral part of the financial statements

Statement of Cash Flows

for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Profit for the year		180	77
Unrealised gain on revaluation of portfolio investments	5	(237)	(188)
Realised gain on disposal of portfolio investments	5	(43)	(16)
Decrease in prepaid expenses		–	1
Decrease in trade and other payables		(5)	(2)
Net cash outflow from operating activities		(105)	(128)
Cash flows from investing activities			
Purchase of portfolio investments	11	(1,591)	(191)
Proceeds from sales of investments		730	150
Net cash used in investing activities		(861)	(41)
Cash flows from financing activities			
Issue of Ordinary Share capital	14	983	–
Net cash generated from financing activities		983	–
Net increase/(decrease) in cash and cash equivalents		17	(169)
Cash and cash equivalents at beginning of year		35	204
Cash and cash equivalents at end of year	11	52	35

The accounting policies and explanatory notes on pages 20 to 30 form an integral part of the financial statements

Notes to the Financial Statements

for the year ended 31 March 2018

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

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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for a change in the reporting currency of the Company to GBP, as described in Note 2.13. The change in reporting currency is a change in accounting policy and has been accounted for retrospectively in line with IAS 8. New standards and amendments to IFRS effective as for the financial reporting period have been reviewed by the Company and there has been no material impact on the financial statements as a result of these standards and amendments. The Company has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective.

Standards issued but not yet effective

There were a number of standards and interpretations which were in issue at 31 March 2018 but were not effective at 31 March 2018 and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Company's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Company and will be incorporated in the preparation of the Company Financial Statements from the effective dates noted below.

The new standards include:

IFRS 2	Share-based Payment[1]
IFRS 4	Insurance Contracts[1]
IFRS 9	Financial Instruments[1,2]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Leases[2]
IFRS 17	Insurance Contracts[3]
IAS 19	Employee Benefits (amendment)[2]
IAS 28	Investment in associates and joint ventures (amendment)[1,2]
IAS 40	Transfer of Investment Property (amendment)[1]
IFRIC 22	Foreign Currency transactions and Advance Consideration[1]
IFRIC 23	Uncertainty over Income Tax Treatments[2]
Improvements to IFRSs	Annual Improvements 2014-2016 Cycle[1]: Amendments to IFRS 1 and IAS 28
Improvements to IFRSs	Annual Improvements 2015-2017 Cycle[2]: Amendments to 4 IFRSs

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after 1 January 2021

2.2 Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

2.3 Exceptional items

Exceptional items are material items which derive from transactions or events and are disclosed separately when such presentation is relevant to the Company's financial position and performance.

2.4 Income

Income is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes. The Company recognises income when the amount of income can be reliably measured and when it is probable that the future economic benefits will flow into the Company.

(i) Investment return
Investment return represents the sum of realised gains and losses on the disposal of investment portfolio assets and the unrealised gains and losses on the revaluation of these, together with and any related investment income received and receivable.

Realised gains and losses on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs on the sale and the fair value of the investments at the start of the accounting period or acquisition date if later.

Unrealised gains and losses on the revaluation of investments is the movement in carrying value of investments between the start of the accounting period or acquisition date if later and the end of the accounting period.

Dividends from investments are recognised when the shareholders' rights to receive payment have been established.

(ii) Interest income
Interest income is recognised as interest accrues using the effective interest rate method.

(iii) Other income
All other income is recognised as other income in the period to which it relates.

2.5 Investments

Investment assets that are held by the Company are classified as investment portfolio assets and are stated at the Directors' estimate of their fair value determined in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCVG") on the basis set out below. Investment assets are designated at fair value through profit or loss on initial recognition and any gains or losses arising from subsequent changes in fair value are presented in profit or loss as they arise. A fair value method of valuation for portfolio investments is considered the most appropriate for assessing their performance.

(i) Quoted investments for which an active market exists are valued at closing bid-market price at the reporting date.

(ii) Unquoted investments are measured at fair value by the Directors as follows:

- Investments in companies that are still in a development phase continue to be valued based on cost unless there have been more recent benchmark subscriptions and investments which give a guide to fair value ("Price of Recent Investment") or where there are factors that indicate a change in fair value has occurred.
- Once the business becomes established, investments are valued based on an estimate of the fair value for the investee company derived using methodologies which include applying an average sector earnings multiple to operating profits, valuation by reference to net asset base and discounted cash flows.

None of the Company's investments have met the criteria for consolidation on the basis of either a subsidiary, associate or joint venture and therefore have not been consolidated. The Board has concluded that the Company continues to meet the definition of an investment entity and to account for its investments as such.

Notes to the Financial Statements (continued)

for the year ended 31 March 2018

2.6 Deferred taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current income tax is calculated on the basis of the tax rates and laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns in regard to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements in accordance with IAS 12 – 'Income Taxes'. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable nor the accounting profit or loss. Deferred tax assets and liabilities are calculated using tax rates and laws that have been substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.7 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

2.8 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

2.9 Share capital

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

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow or resources 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 Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.13 Functional and presentational currency

The presentational currency of the Company was changed during the year from EUR (€) to GBP (£). This change in the reporting currency of the Company was made to reflect the fact that the Company no longer has Euro based operations, assets or significant transactions denominated in Euros.

The functional currency of the Company continues to be that of the primary economic environment in which the Company operates which is 'Pounds Sterling' (£). This is the currency in which expenses are incurred, salaries are paid, income is received, and equity funds are raised.

Given the functional currency of the Company continues to be GBP no translation of the current financial year trading results to 31 March 2018 or the balance sheet figures at that date was required and these figures have simply been presented in GBP.

A change in presentational currency is classified as a change in accounting policy which is accounted for retrospectively. In accordance with accounting standards the statutory financial information included in the Company's annual report for the year ended 31 March 2017 previously reported in EUR has been restated into GBP using the procedures outlined below:

- assets and liabilities denominated in non-sterling currencies were translated into sterling at closing rates of exchange. Non-sterling trading results were translated into sterling at average rates of exchange;
- Share capital, share premium and other reserves were translated at the historic rates prevalent at the dates of transactions;
- all exchange rates used were extracted from the Company's underlying financial records; and
- foreign exchange translation differences resulting from the above retranslations have been taken to a Foreign Exchange Translation Reserve.

The exchange rate applied to restate the 31 March 2017 balance sheet figures was €1.17775 per £1 sterling, (2016: €1.26200). The average exchange rates used to restate the result for the years to 31 March 2017 and 31 March 2016 were €1.13139 and €1.136462 respectively.

The Company no longer has any European based operations or assets following the strategic winding down and disposal of all its legacy European property interests in prior years. As such the balance on the foreign currency translation reserve which arose on the restatement of the prior year financial statement figures to 31 March 2017 from EUR into GBP was transferred to the retained earnings reserve in the current year to 31 March 2018.

2.14 Foreign currencies

Transactions denominated in foreign currencies are translated into the presentational currency of the Company at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the statement of financial position date. Exchange differences arising are taken to operating results within the income statement.

Notes to the Financial Statements (continued)

for the year ended 31 March 2018

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity 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.

The management of these risks is vested in the Board of Directors. The policies for managing each of these risks are summarised below:

Management of market risk

(i) Price risk

The Company is exposed to market price risk in respect of its portfolio investments. The Company mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Company has in place procedures and levels of authority designed to control the level of commitments, either in single investments or in aggregate.

Details of the Company's investment portfolio are given in note 11 to the financial statements.

Price risk sensitivity

The table below summarises the impact on the Company's profit before taxation for the year and on equity of a 10 per cent. increase/decrease in the underlying share price of the investment portfolio. The price sensitivity of 10 per cent. represents Management's estimate of the premium/discount that may be achieved on sale of investment portfolio assets relative to the closing bid market price.

Impact of 10 per cent price change	**Year ended 31 March 2018 £'000**	**Year ended 31 March 2017 £'000**
Portfolio investments	208	94

(ii) Interest rate risk

As the Company has no borrowings, the risk is limited to the impact of interest received on cash surpluses held. Interest rate risk is managed in accordance with the liquidity requirements of the Company, with a minimum appropriate level of its cash surpluses held within an instant access account, which has a variable interest rate attributable to it, to ensure that sufficient funds are available to cover the Company's liquidity needs.

Interest rate sensitivity

The principal impact to the Company is the result of interest-bearing cash and short-term deposit (cash equivalent) balances held. At 31 March 2018, the impact of a 5 per cent. increase or decrease in interest rates would have increased/decreased the profit for the year and equity by a minimal amount as a result of higher/lower interest received on floating rate cash deposits and as such no sensitivity analysis is provided.

3 Financial risk management – continued

(iii) Currency risk profile

In prior periods the Company was exposed to foreign exchange rate risk as a result of the use of Euros as the reporting currency for the financial statements, however this is no longer the case. The Company manages its foreign exchange risk at Board level and monitors it on an ongoing basis.

Foreign exchange risk sensitivity

Management do not consider the impact of possible exchange rate movements based on current market conditions to be material to the net result for the year.

Management of credit risk

The Company's principal financial assets are portfolio investments and bank balances and short-term deposits. Credit risk associated with trade receivables is considered to be minimal.

The Company seeks to limit the level of credit risk on the cash balances by only depositing surplus liquid funds with counterparty banks with high credit ratings. The credit risk associated with portfolio investments is considered minimal.

The maximum exposure to credit risk on the Company's financial assets is represented by their carrying amount, as outlined in the categorisation of financial instruments table below.

	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Total £'000
At 31 March 2018				
Investments	–	–	2,076	2,076
Cash and cash equivalents	52	–	–	52
Trade and other payables	–	(21)	–	(21)
Net total	52	(21)	2,076	2,107
At 31 March 2017				
Investments	–	–	935	935
Cash and cash equivalents	35	–	–	35
Trade and other payables	–	(26)	–	(26)
Net total	35	(26)	935	944

The Company does not consider that any changes in fair value of financial assets in the year are attributable to credit risk.

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

Management of liquidity risk

The Company seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company deems there is sufficient liquidity for the foreseeable future.

No maturity analysis for financial liabilities is presented, as the Directors consider that liquidity risk is not material.

The Company's cash, cash equivalents and short-term deposit balances at 31 March 2018 are detailed above in note 3 to the financial statements.

At 31 March 2018 and 31 March 2017, with the exception of investment portfolio assets, all financial assets and liabilities mature for payment within one year.

Notes to the Financial Statements (continued)

for the year ended 31 March 2018

3.1 Capital management

The Company's policy is to maintain a strong capital base. The Company manages all elements of shareholders' equity as financial capital, and seeks to increase this figure as a stated business objective over the medium to long term. The Company is entirely equity financed with no external capital requirements imposed upon it. In order to preserve capital the Company maintains a balanced investment portfolio and appropriate levels of cash and cash equivalents in order to maintain liquidity and take advantage of market opportunities as they arise. The Company's net asset value is monitored on an ongoing basis.

4 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The estimate and assumption that has the most significant effect on the carrying amounts of assets and liabilities in the financial statements is the valuation of quoted investments. These are valued at closing bid market price and in accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions. However, it may not always be possible to trade at the quoted bid market price. Quoted portfolio investments are carried in the financial statements as at 31 March 2018 at a valuation of £1.97 million (2017: £0.84 million). For further detail see note 11.

5 Segmental reporting

Operating segments for Adams Plc are reported based on the financial information provided to the Board, which is used to make strategic decisions. The Directors are of the opinion that under IFRS 8 – 'Operating segments' the Company has only one reportable segment, being Investment Return. The Board assesses the performance of the operating segment based on financial information which is measured and presented in a manner consistent with that in the financial statements.

The principal sources of revenue for the Company in the two years ended 31 March 2018 were:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Unrealised gains on the revaluation of portfolio investments	237	188
Realised gains on the disposal of portfolio investments	43	16
Gain on investments	280	204

6 Directors' remuneration and fees

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Remuneration for qualifying services	48	48
Social security costs	2	2
	50	50

7 Employees

Number of employees

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

	Year ended 31 March 2018 Number	Year ended 31 March 2017 Number
Directors	3	3
	3	3

Employment costs

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Remuneration for qualifying services	48	48
Social security cost	2	2
	50	50

8 Analysis of administrative expenses by nature

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Operating loss is stated after charging:		
Directors' emoluments	50	50
Audit fees	9	8
Broker and professional and listed company fees	93	85
Other administrative expenses	3	4
	155	147

9 Taxation

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Total current tax	–	–

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2018

10 Profit per share

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Profit after tax attributable to equity holders of the Company	180	77
Weighted average number of Ordinary Shares	72,481,267	41,273,616
Basic and diluted profit per share	0.25p	0.18p

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares in issue during the year to assume conversion of all dilutive potential Ordinary Shares.

11 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
Fair value at 31 March 2016	690	–	–	690
Additions at cost	93	5	93	191
Disposals	(134)	–	–	(134)
Unrealised gain on the revaluation of investments	188	–	–	188
Fair value at 31 March 2017	837	5	93	935
Additions at cost	1,581	–	10	1,591
Disposals	(687)	–	–	(687)
Unrealised gain on the revaluation of investments	237	–	–	237
Fair value at 31 March 2018	1,968	5	103	2,076

Investments are valued at closing bid market price at the reporting date. Quoted investments are all classed as Level 1 investments and unquoted equity shares and loan notes are considered to be Level 2 investments.

12 Prepayments

	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Prepayments	2	2	2
	2	2	2

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

13 Trade and other payables

	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Trade payables	8	12	11
Accruals	13	14	14
	21	26	25

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
Ordinary shares of €0.01			
At 31 March 2016 and 31 March 2017	41,276,616	636	783
Issue of shares	41,276,616	365	618
At 31 March 2018	82,553,232	1,001	1,401

In June 2017, the Company issued 41,276,616 new Ordinary Shares of €0.01 by way of an underwritten open offer at an issue price of 2.5p (2.84 € cents) per share.

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

The authorised Ordinary Share capital of the Company at 31 March 2018 is 350,000,000 Ordinary Shares of €0.01 each (31 March 2017: 350,000,000 Ordinary Shares of €0.01 each).

15 Foreign currency translation reserve

The foreign currency translation reserve arose on the restatement of comparative prior year figures included in the Company's annual report for the years ended 31 March 2016 and 31 March 2017, as previously reported in EUR and which have been restated into GBP in the manner set out in Note 2.13. A reconciliation of the movements on this reserve is detailed below:

	31 March 2017 €'000	Exchange Rate EUR/GBP	31 March 2017 £'000	Translation Difference £'000
Net assets	1,114	1.17775	946	(168)
Share capital	(413)	*1.54237	(636)	(223)
Share premium	(1,116)	*1.42529	(783)	333
Retained losses	415	*1.80435	229	(186)
Foreign translation reserve as at 31 March 2017 and 31 March 2018				(244)

* Note the exchange rates presented above are effective exchange rates resulting from retranslations undertaken in accordance with IFRS and as detailed in Note 2.13.

Notes to the Financial Statements (continued)

for the year ended 31 March 2018

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 had no transactions with related parties other than in respect of Directors' remuneration as set out in the Directors' Report on page 9.

17 Contingent liabilities

The Company has no contingent liabilities of which the Directors are aware in respect of legal or other claims arising from the ordinary course of business (31 March 2017: Nil).

18 Capital commitments

No capital expenditure was committed for at the end of the year but not yet to be incurred (31 March 2017: Nil).

19 Events after the reporting period

There are no events after the year end.

20 Ultimate controlling party

By virtue of his beneficial shareholding, Richard Griffiths is considered to be the ultimate controlling party of the Company. A list of the major disclosed shareholders of the Company can be found in the Directors' Report on page 10.

Notes

Notes