ADAMS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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
55 Athol Street
Douglas
Isle of Man
IM1 1LA

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
80 Cheapside
London
EC2V 6EE

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

Contents

Chairman's Statement

for the year ended 31 March 2020

Results

Adams reported a loss after tax of £303,000 for the year ended 31 March 2020 compared to a profit of £257,000 in the prior year. The reduction in profitability is principally due to adverse conditions in financial markets, in part as a result of the coronavirus (COVID-19) outbreak, with a resultant loss on investments of £245,000 in the year versus a corresponding gain of £317,000 for the prior year.

During the year, the Company spent £1.38 million on the purchase of additional investments and realised proceeds of £2.03 million from investment disposals. The carrying value of investments at 31 March 2020 was £1.18 million, represented by five listed and one un-listed investment holdings, versus £2.08 million at 31 March 2019, represented by three listed and one un-listed investment holdings.

Net assets reduced to £2.06 million (equivalent to 2.50p per share) at the 31 March 2020 balance sheet date, compared with £2.37 million (equivalent to 2.87p per share) at the previous year end. The £0.30 million reduction in net assets reflects the loss reported for the year.

Cash and cash equivalent balances were £0.90 million at 31 March 2020 compared to cash balances of £0.32 million at 31 March 2019.

Business model and investing policy

Adams is an investing company with an investing policy under which 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 the Board perceives 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 held by the Company at 31 March 2020 comprised Circassia Pharmaceuticals plc ("Circassia"), Diurnal Group Plc ("Diurnal"), TalkTalk Telecom Group Plc ("Talk Talk"), Griffin Mining Limited ("Griffin") and 4D Pharma Plc ("4D Pharma"). In addition, the Company holds shares and loan notes in unquoted Sherwood Holdings Limited which has Source Bioscience Limited ("Source Bioscience") as its principal subsidiary company asset.

Circassia is an AIM listed specialty pharmaceutical company focused on respiratory disease and which markets innovative asthma management products focused on the ventilator-compatible novel nitric oxide Niox® respiratory diagnostic platform. In April 2020, the company announced a transaction to terminate the development and commercialisation agreement between the company and AstraZeneca UK Limited for the U.S. commercial rights to Tudorza® and Duaklir® that will transform Circassia into a debt-free business with a strong Niox® based revenue-generating business and the potential to expand into new territories. AstraZeneca will retain its 18.9 per cent shareholding in the company. Revenues amounted to £62.4 million for the year ended 31 December 2019, which coupled with continued significant investment in development and marketing, resulted in an underlying continuing operations loss after tax of £39.0 million for that year. The shareholding of Adams at 31 March 2020 was, and continues to be, 0.82 per cent of the Circassia shares in issue.

Diurnal is an AIM listed specialty pharmaceutical company dedicated to developing high-quality hormone therapeutics to aid lifelong treatment for rare and chronic endocrine conditions, initially by developing and marketing products for the rare orphan diseases congenital adrenal hyperplasia and adrenal insufficiency including its Alkindi® and Chronocort® products. Initial revenues grew to £1.1 million for the six months to 31 December 2019, which coupled with continued significant investment in research and development and marketing, resulted in a loss after tax of £4.0 million for that half year period. The shareholding of Adams at 31 March 2020 was, and continues to be, 0.66 per cent of the Diurnal shares in issue.

Talk Talk is a Main Market listed connectivity provider of landline, broadband, TV and mobile services to consumer and business customers. In January 2020, TalkTalk announced the sale of its FibreNation business for £200 million to CityFibre in a process to simplify its business and reduce debt. It continues to offer both consumer and business customers access to fibre broadband connectivity and also offers data solutions to business customers at great value through its high margin ethernet-based services. Talk Talk has a compelling TV proposition that allows customers to access up to 80 Freeview channels, as well as flexible access to an extensive range of premium content from Sky, BT Sport and Netflix. Its mobile services provide unique offers in partnership with O_2 that are only available to TalkTalk customers. For the year ended 31 March 2020, Talk Talk reported preliminary results showing a profit before tax of £131 million on revenues of £1,569 million. The shareholding of Adams at 31 March 2020 was, and continues to be, 0.02 per cent of the TalkTalk shares in issue.

Griffin is an AIM listed mining and investment company that has been the leader in foreign investment in mining in China having been engaged in developing the Caijiaying zinc and gold project since 1997. For the year ended 31 December 2019, Griffin reported a much reduced profit of US$6.1 million after tax on revenues of US$82.3 million, reflecting falling zinc metal prices and significantly higher smelter treatment charges. The coronavirus outbreak resulted in a cessation of mining operations in early 2020, but the company subsequently announced that following the gradual lifting of restrictions in February and March, operations steadily increased such that by 24 March 2020, underground mining and processing operations had reached 100 per cent, and 75 per cent respectively, of planned output. The shareholding of Adams in Griffin at 31 March 2020 was, and continues to be, 0.13 per cent of the Griffin shares in issue.

4D Pharma is an AIM listed pioneer in harnessing bacteria of the gut microbiome as a novel and revolutionary class of medicines, known as live biotherapeutics, which could be used as potential new therapies for a large number of diseases including cancer, gastrointestinal disease, respiratory disease and central nervous system disease. The company has initiated multiple live biotherapeutic programmes across a broad range of therapeutic areas and has also entered a clinical collaboration with Merck & Co. to evaluate a lead immuno-oncology candidate. 4D Pharma incurred a loss after tax for the year ended 31 December 2019 of £24.1 million inclusive of £26.5 million of research and development expenditure. Cash and short-term deposits at 31 December 2019 amounted to £3.8 million and 4D Pharma subsequently raised gross proceeds of £22.0 million through a placing of new shares at 50p per share in March 2020. The shareholding of Adams at 31 March 2020 was, and continues to be, 0.14 per cent of the 4D Pharma shares in issue.

Source Bioscience is a private company that 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. The shareholding of Adams in Sherwood, which has Source Bioscience as its principal subsidiary company asset, at 31 March 2020 was, and continues to be, 0.18 per cent of the Sherwood shares in issue. In addition, Adams holds unquoted loan notes in Sherwood with a value of £0.124 million at 31 March 2020.

Post year-end investment transaction. Subsequent to the Company's 31 March 2020 year end, Adams committed to invest £0.57 million in Oxehealth Limited ("Oxehealth") by way of two share subscription payments, the first of which was for £0.34 million and was paid on 11 June 2020 and the second payment of £0.23 million is scheduled to be paid on around 11 November 2020. Following this second share subscription, the investment holding by Adams will represent 2.4 per cent of Oxehealth's issued ordinary share capital. Oxehealth is a private company that uses proprietary signal processing and computer vision to process normal digital video camera data to remotely measure the vital signs and activity of patients in a number of different markets, primarily in Mental Health, Acute Hospital settings, Primary Care settings, Care Home, and Custodial facilities in both the UK and also in Sweden.

Adams is expected to have remaining cash balances of approximately £0.24 million following the second final Oxehealth share subscription payment, in addition to an unused shareholder loan facility of £3.0 million as set out in note 14 to the Financial Statements, available for further investment as and when the Directors identify appropriate attractive opportunities to exploit.

COVID-19 update

The coronavirus (Covid-19) outbreak in 2020 continues to have a negative impact on global economic activity and additional volatility in financial markets can be expected. Adams' investment portfolio has, however, not been further adversely impacted subsequent to our 31 March 2020 year end and positive news at some of the companies within our investment portfolio has in fact helped to generate unrealised gains which are estimated to have resulted in a profit for the first two and a half months of the current financial year of approximately £0.3 million.

Outlook

The full economic fallout from the Covid-19 pandemic remains uncertain but is likely to be severe and cripple even the most resilient of markets, threatening national and global growth. Bold policy measures involving unprecedented levels of public debt will be needed to protect the most vulnerable from economic ruin and to recover to a position of economic growth and financial stability. In the meantime, continued volatility can be expected.

Against this economic backdrop, your Board will continue to maintain a rigorous and highly selective investment approach which is committed to delivering additional value for shareholders going forward. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio.

Michael Bretherton
Chairman
29 June 2020

Strategic Report

for the year ended 31 March 2020

The Directors present their Strategic Report with the Financial Statements for Adams Plc ('Adams' or 'the Company') for the year ended 31 March 2020.

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.

The current investment policy of the Company seeks to invest in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes to them and which the Board perceive to be undervalued. The principal focus is expected to be in the small to medium market capitalisation sectors in mainly the UK or Europe, but the Directors will also consider opportunities elsewhere if they believe there is an opportunity to generate added value for shareholders.

A copy of the Company's investment policy can be found in full on the corporate website at www.adamsplc.co.uk and also in the Directors' Report on page 8.

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 3.

Key performance indicators

Key Company performance indicators are set out below:

	31 March 2020	31 March 2019
Net assets (£'000)	2,063	2,366
Net asset value per share (£)	0.0250	0.0287
(Loss)/profit after tax (£'000)	(303)	257
Cash and short-term deposits with banks (£'000)	904	315

Statement of Income

The Company reported a loss after tax for the year ended 31 March 2020 of £303,000 compared to a profit of £257,000 in the previous year. The decrease in profitability during the current financial year is principally due to an increase in unrealised revaluation losses on the valuation of investments.

The Company continued to operate a low-cost base with administrative costs of £152,000 incurred versus £172,000 for the previous year.

Statement of financial position

Net assets decreased to £2.06 million at the 31 March 2020 balance sheet date, compared with £2.37 million at the 31 March 2019 prior financial year end.

The carrying value of investments at 31 March 2020 was £1.18 million (represented by six investment holdings) in line with the £2.08 million at 31 March 2019 (represented by four investment holdings).

Cash and cash equivalent balances were £904,000 at 31 March 2020 compared to cash balances of £315,000 at 31 March 2019.

Cash flow

The Company's cash balances increased by £589,000 during the year. This increase mainly reflects the investment disposal proceeds of £2,030,000 and dividend and other income receipts of £94,000, less cash outflows of £1,378,000 spent on the purchase of additional investments and £157,000 of net overheads costs and working capital movements.

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 6 and 7.

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 currently has an external financing facility but no amount had been utilised as at 31 March 2020; 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 credit 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 acceptable.

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 £0.90 million as at 31 March 2020 (31 March 2019: £0.32 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
Global political and economic landscapes continue to be the key external risks faced by the Company, with the ability of both to adversely impact future performance at Adams. The Board considers the Covid-19 pandemic to be the pre-eminent external risk to the Company at the present time and that this has the potential to adversely affect the operations, performance and growth at the businesses in which the Company holds investments. Such factors also continue to impact the markets in which the Company operates, in terms of investment valuations and investor sentiment.

Future development
The Board continues to seek investment opportunities which will generate value for shareholders in the medium to long 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

Nicholas Woolard
Non-executive Director
29 June 2020

Directors' Report

for the year ended 31 March 2020

The Directors present their report and the financial statements of Adams Plc for the year ended 31 March 2020.

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 results for the year are set out on page 14. 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 15 of the financial statements.

Secretary
The Secretary of the Company holding office for the year ended 31 March 2020 was Philip Scales.

Directors
The following Directors have held office since 1 April 2019:

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. He is also Chief Executive Officer of Sarossa Plc and is non-executive chairman of Hardy Oil & Gas Plc and is a non-executive director of e-therapeutics plc, Blake Holdings Limited and ORA Limited. In addition, Michael has been a director of six other AIM quoted companies during the last ten years, including DeepMatter Group Plc, Nanoco Group Plc and Ceres Power Holdings 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 for seven years in London and the Middle East.

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.

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 2020 £'000	Year ended 31 March 2019 £'000
M A Bretherton	15	15
N J Woolard	18	18
A R J Mitchell	15	15
	48	48

All of the Directors are engaged under letters of appointment which may be terminated on not less than three months' notice.

Directors' interests
As at 31 March 2020, Mr Bretherton, Mr Woolard and Mr Mitchell did not hold any interest in the Company's shares (2019: 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.

Going concern
At 31 March 2020, the Company had £0.90 million (2019: £0.32 million) 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.

Post balance sheet events
For a summary of significant transactions entered into by the Company subsequent to 31 March 2020, see note 18 of the financial statements.

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

Substantial Shareholdings
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 26 June 2020:

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 the Company's Registered office at 55 Athol Street, Douglas, Isle of Man, IM1 1LA at 11.00 a.m. on 21 August 2020.

Important: COVID-19 implications – participating in the AGM. In consideration of the current guidance regarding Covid-19 and the travel restrictions into the Isle of Man, we recommend that you should not attempt to physically attend the AGM. Instead, we recommend that you vote by proxy, in accordance with the instructions set out on the form of proxy, so as to arrive not later than 11.00 a.m. on 19 August 2020, being 48 hours before the time of the meeting.

A form of proxy for use at that meeting also accompanies this document. Your attention is drawn to the notes to the form of proxy.

Directors' Report (continued)

for the year ended 31 March 2020

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 authority for the Directors to allot Ordinary Shares.
- The disapplication of pre-emption rights.
- 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.

Investing Policy
The current Investing Policy 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 under-valued 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.

Corporate governance
Adams formally adopted the Quoted Companies Alliance (QCA) Code in September 2018 and the Company continues to focus on and adhere to the principles of effective corporate governance appropriate for the size and nature of the Company.

The Company's corporate governance statement in relation to the QCA Code is fully set out on the Company's investor webpage at www.adamsplc.co.uk/content/investors/corporate-governance.

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.

The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Company's position and performance, business model and strategy. Each of the Directors confirms that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit/loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

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
29 June 2020

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 2020 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 2020 and of the loss 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	
A significant balance on the statement of financial position is investments of £1,178,000 (2019: £2,075,000) at 31 March 2020 as detailed in Note 11. During the year there were net additions of £1,368,000 (2019: £200,000) and disposals of £1,956,000 (2019: £386,000) and unrealised losses on the revaluation of investments of £319,000 (2019: gain £174,000). There is a risk that the fair value of investments has not been appropriately estimated. We therefore identified the valuation of investments held for trading as a significant risk, which was one of the most significant assessed risks of material misstatement.	Challenged the methodologies used by management in conducting the investments valuation and challenging management to consider other valuation models in line with industry practice. We utilised the International Private Equity and Venture Capital Valuation (IPEV) guidelines to determine the reasonableness of methods used by management. Valuations derived using the IPEV guidelines are compliant with IFRS; Tested the mathematical accuracy of the valuation calculations as well as the calculations for acquisitions and disposals; Considering the assumptions used in valuations and the methodologies used to gain comfort over the ultimate fair value recognised by management. We did this by comparing the valuations not only to the 3rd party investment schedule but also for quoted investments to market prices. For material unquoted investments we considered other evidence available to obtain comfort over the valuations; Evaluated the sufficiency of the disclosures for critical accounting estimates and judgements related to the valuation of the investments.
Going concern assumption	
The Company 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 assumption 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, unutilised loan facility and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.

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 £41,000 (2019: £47,000) for the financial statements as a whole. A benchmark of 2 per cent of Net Assets of the Company was used to calculate the materiality for the company. We believe that Net Assets 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 £2,000 (2019: £2,500) 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and,
- the strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 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 9, 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 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 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

29 June 2020

Statement of Comprehensive Income

for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Dividend income	5	83	87
(Loss)/gain on investments	5	(245)	317
Investment return		(162)	404
Expenses and other income			
Administrative expenses	8	(152)	(172)
Other income		1	14
Operating (loss)/profit		(313)	246
Interest income		10	11
(Loss)/profit on ordinary activities before taxation		(303)	257
Tax on profit on ordinary activities	9	–	–
(Loss)/profit for the year		(303)	257
Basic and diluted (loss)/profit per share	10	(0.37)p	0.31p

All activities are in respect of continuing operations and there are no other items of comprehensive income.

The accounting policies and explanatory notes on pages 18 to 28 form an integral part of the financial statements

Statement of Financial Position

as at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Assets			
Non-current assets			
Investments	11	1,178	2,075
Current assets			
Prepayments	12	9	2
Cash and cash equivalents		904	315
Current assets		913	317
Total assets		2,091	2,392
Liabilities			
Current liabilities			
Trade and other payables	13	(28)	(26)
Total liabilities		(28)	(26)
Net current assets		885	291
Net assets		2,063	2,366
Equity			
Called up share capital	15	826	826
Retained earnings reserve		1,237	1,540
Total shareholder equity		2,063	2,366

The financial statements were approved and authorised for issue by the Board on 29 June 2020 and signed on its behalf by:

Michael Bretherton
Chairman

Company number – 004145V (Isle of Man)

The accounting policies and explanatory notes on pages 18 to 28 form an integral part of the financial statements

Statement of Changes in Equity

for the year ended 31 March 2020

	Notes	Share Capital £'000	Share Premium £'000	Foreign currency translation reserve £'000	Retained earnings reserve £'000	Total £'000
At 1 April 2018		1,001	1,401	(244)	(49)	2,109
Changes in equity						
Redenomination of share capital	15	(175)	175	–	–	–
Elimination of foreign currency reserve	15	–	(244)	244	–	–
Reclassification of share premium	15	–	(1,332)	–	1,332	–
Total comprehensive gain		–	–	–	257	257
At 31 March 2019		826	–	–	1,540	2,366
Changes in equity						
Total comprehensive loss		–	–	–	(303)	(303)
At 31 March 2020		826	–	–	1,237	2,063

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 was eliminated in the prior year upon the approval of resolutions approved in step with the redenomination of the Company's share capital into pounds sterling.

Retained earnings represent the cumulative gains of the Company attributable to equity shareholders.

The accounting policies and explanatory notes on pages 18 to 28 form an integral part of the financial statements

Statement of Cash Flows

for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
(Loss)/profit for the year		(303)	257
Unrealised loss/(gain) on revaluation of portfolio investments	5	319	(174)
Realised gain on disposal of portfolio investments	5	(74)	(143)
Increase in trade and other receivables		(7)	–
Increase in trade and other payables		2	5
Net cash outflow from operating activities		(63)	(55)
Cash flows from investing activities			
Purchase of portfolio investments	11	(1,378)	(211)
Proceeds from sales of investments		2,030	529
Net cash generated from investing activities		652	318
Net increase in cash and cash equivalents		589	263
Cash and cash equivalents at beginning of year		315	52
Cash and cash equivalents at end of year		904	315

The accounting policies and explanatory notes on pages 18 to 28 form an integral part of the financial statements

Notes to the Financial Statements

for the year ended 31 March 2020

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 Directors, Officers and Advisers 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.

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 together with, in respect of going concern, the uncertain fall out from the current Covid-19 pandemic referred to in Note 18.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year. 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.

New Accounting Standards, interpretations and amendment adopted.

The following were new standards and amendments to existing standards which are relevant to the Company and are effective for annual periods commencing on or after 1 January 2019:

- IFRS 16 – Leases
- IFRIC 23 – Uncertainty over Income Tax Treatment
- Annual improvements 2015-2017 cycle, which contains amendments to four IFRSs (IFRS 3, IFRS 11, IAS12 and IAS23), as a result of the IASB's annual improvement project
- IFRS 9 – prepayment features
- IAS 28 – Long-term interest
- IAS 19 – Plan amendment, curtailment or settlement to harmonise accounting practices

The adoption of these amendments did not have any impact on the financial statements of the Company for the current period or any prior period and is not likely to affect future periods.

2.3 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2 Summary of significant accounting policies – continued

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

The classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- held under a business model objective to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The Company's Investment Portfolio assets fall into this category and are further described below:

Investment Portfolio Assets

Investment assets that are held by the Company with a long-term view to the ultimate realisation of capital gains 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 portfolio assets are designated at fair value through profit or loss on initial recognition which is considered most appropriate as investment portfolio assets are assessed and evaluated on a fair value basis. Any gains or losses arising from subsequent changes in fair value are presented in the Statement of Comprehensive Income as they arise.

(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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

2 Summary of significant accounting policies – continued

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- held under a business model objective to "hold to collect" the associated cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Impairment of financial assets

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss, are included within finance costs or finance income.

The Company's financial liabilities include trade and other payables.

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 any related investment income receivable 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 Summary of significant accounting policies – continued

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.

2.6 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 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.

2.8 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 maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

2 Summary of significant accounting policies – continued

2.9 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. 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 (see Note 5). 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.

2.10 Foreign currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. 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.

The functional and presentational currency of the Company is GBP (£).

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:

3.1 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 2020 £'000	Year ended 31 March 2019 £'000
Portfolio investments	118	208

(ii) Interest rate risk

As the Company currently 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.

3 Financial risk management – continued

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 2020, 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.

(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.

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Cash, cash equivalents and short-term deposits		
A	201	58
No rating provided*	703	257
	904	315

* These monies are held with a reputable international brokerage despite no credit rating being available.

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 2020				
Investments	–	–	1,178	1,178
Cash and cash equivalents	904	–	–	904
Trade and other payables	–	(28)	–	(28)
Net total	904	(28)	1,178	2,054
At 31 March 2019				
Investments	–	–	2,075	2,075
Cash and cash equivalents	315	–	–	315
Trade and other payables	–	(26)	–	(26)
Net total	315	(26)	2,075	2,364

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

3 Financial risk management – continued

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.

At 31 March 2020 and 31 March 2019, with the exception of investment portfolio assets, all financial assets and liabilities mature for payment within one year.

3.2 Capital management

The Company's policy is to maintain a strong capital base. The Company manages all elements of shareholder's 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 2020 at a valuation of £1.05 million (2019: £1.96 million). For further detail see note 11.

5 Investment return

The principal sources of revenue for the Company in the two years ended 31 March 2020 were:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Unrealised (loss)/gains on the revaluation of portfolio investments	(319)	174
Realised gains on the disposal of portfolio investments	74	143
(Loss)/gain on investments	(245)	317
Dividend income	83	87
Investment return	(162)	404

6 Directors' remuneration and fees

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'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 2020 Number	Year ended 31 March 2019 Number
Directors	3	3
	3	3

Employment costs

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'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 2020 £'000	Year ended 31 March 2019 £'000
Operating loss is stated after charging:		
Directors emoluments	50	50
Audit fees	10	12
Broker and professional and listed company fees	89	106
Other administrative expenses	3	4
	152	172

9 Taxation

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Total current tax	–	–

The Company is subject to income tax at the rate of 0 per cent 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 2020

10 Earnings per share

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
(Loss)/profit after tax attributable to equity holders of the Company	(303)	257
Weighted average number of Ordinary Shares	82,553,232	82,553,232
Basic and diluted profit per share	(0.37)p	0.31p

Basic earnings per share is calculated by dividing the (loss)/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. There are currently no potentially issuable shares in existence. All activities are in respect of continuing operations.

11 Investments

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

	Quoted Equity Shares £'000	Unquoted Equity Shares £'000	Unquoted Loan Notes £'000	Total £'000
Fair value at 31 March 2018	1,968	5	103	2,076
Additions at cost	200	–	11	211
Disposals	(386)	–	–	(386)
Unrealised gain on the revaluation of investments	174	–	–	174
Fair value at 31 March 2019	1,956	5	114	2,075
Additions at cost	1,368	–	10	1,378
Disposals	(1,956)	–	–	(1,956)
Unrealised gain on the revaluation of investments	(319)	–	–	(319)
Fair value at 31 March 2020	1,049	5	124	1,178

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

12 Prepayments

	31 March 2020 £'000	31 March 2019 £'000
Prepayments	9	2
	9	2

The carrying amount of prepayments is considered to be approximate to their fair value.

13 Trade and other payables

	31 March 2020 £'000	31 March 2019 £'000
Trade payables	14	11
Accruals	14	15
	28	26

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

14 Borrowings

On 29 January 2019, the Company entered into a facility loan agreement (the "Loan Agreement") with the Company's largest shareholder, Richard Griffiths, and his controlled company, Blake Holdings Limited ("Blake" or the "Lender") for the provision of an unsecured loan facility of up to £3 million in total. The loan facility may be drawn down by the Company in minimum tranches of £0.5 million and has no fixed term but is repayable in full or in part six months after any repayment notice issued by either the Lender or the Company. Interest accrues daily based on a rate of 7 per cent. per annum and is paid six monthly in arrears. No arrangement, commitment or exit fees have or will be charged.

No amount of the facility had been utilised as at 31 March 2020.

Subsequent to the year end, this Loan Agreement was assigned from Blake to Richard Griffiths personally under a loan assignment agreement dated 19 June 2020 in which he assumed all the rights and obligations in respect of the Loan Agreement without change.

15 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 2018	82,553,232	1,001	1,401
Redenomination of share capital	–	(175)	175
Elimination of foreign currency reserve	–	–	(244)
Reclassification of share premium	–	–	(1,332)
At 31 March 2019 and 31 March 2020	82,553,232	826	–

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

On 10 August 2018, the Company approved at its AGM the following resolutions;

- The par value of each Ordinary Share, issued and to be issued, in the capital of the Company be redenominated from €0.01 to £0.01.
- That £244,000 of the paid up share capital of the Company (representing premium paid of the existing issued Ordinary Shares in the capital of the Company) be cancelled and applied to eliminate the Foreign Currency Translation Reserve of the Company.
- That £1,332,000 of the paid up share capital of the Company (representing the remaining premium paid up on the existing issued Ordinary Shares in the capital of the Company) be cancelled and reclassified as a distributable reserve of the Company.

The authorised Ordinary Share capital of the Company at 31 March 2020 is 350,000,000 Ordinary Shares of £0.01 each (31 March 2019: 350,000,000 Ordinary Shares of £0.01 each).

16 Related party relationships and transactions

On 29 January 2019, the Company entered into a £3,000,000 facility loan agreement with Blake Holdings Limited ("Blake"), a company which is controlled by Richard Griffiths, who is also the controlling shareholder of Adams (see notes 14 and 19). The facility remained undrawn as at 31 March 2020. Subsequent to the year end, this facility loan agreement was assigned from Blake to Richard Griffiths personally under a loan assignment agreement dated 19 June 2020 in which he assumed all the rights and obligations in respect of thereof without change.

The Company had no other transactions with related parties other than in respect of Director's remuneration as set out in the Directors Report on page 6.

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

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 2019: Nil).

18 Events after the reporting period

On 9 June 2020 the Company announced its commitment to subscribe for 21,630 new £0.001 Ordinary Shares in Oxehealth Limited at a price of £26.19 per share. Settlement of the total cash consideration of £566,490 is by way of two payments, the first of which was made on 11 June 2020 for £339,894 and the second final payment of £226,596 is scheduled to be made in November 2020.

The coronavirus (COVID-19) outbreak in 2020 continues to have a negative impact on global economic activity and additional volatility in financial markets can be expected. Adams' investment portfolio has, however, not been further adversely impacted subsequent to our 31 March 2020 year end and positive news at some of the companies within our investment portfolio has in fact helped to generate unrealised gains which are estimated to have resulted in a profit for the first two and a half months of the current financial year of approximately £0.3 million.

19 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 7.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the **2020 ANNUAL GENERAL MEETING** of the Company will be held at the Company's Registered office at 55 Athol Street, Douglas, Isle of Man, IM1 1LA at 11.00 a.m. on 21 August 2020.

IMPORTANT: COVID-19 IMPLICATIONS – PARTICIPATING IN THE ANNUAL GENERAL MEETING

In accordance with current guidance regarding Covid-19 and the travel restrictions into the Isle of Man, **we recommend that you should not attempt to physically attend the AGM.** Instead, we recommend that you vote by proxy, in accordance with the instructions below, **so as to arrive not later than 11.00 a.m. on 19 August 2020,** being 48 hours before the time of the meeting.

When completing your proxy forms, your attention is drawn to the notes to the forms of proxy.

A. 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 2020 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** Andrew Mitchell 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** 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.

B. 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:

4. **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 £825,532.22; (being equal to 100 per cent of the issued share capital of the Company as at 26 June 2020) 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 to be held in 2021 or, if earlier, the date 15 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:

5. **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 4 above; provided that this disapplication shall be limited to the allotment for cash of Ordinary Shares up to an aggregate par value of £825,532.22 (being equal to 100 per cent of the issued share capital of the Company as at 26 June 2020) 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 to be held in 2021 or, if earlier, the date 15 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.

Notice of Annual General Meeting (continued)

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

6. **THAT** subject to the Articles and the Companies Act 2006 the Company be and is hereby generally and unconditionally authorised to purchase Ordinary Shares in the open market on such terms and in such manner as the Directors shall determine, provided that the general authority conferred by this resolution shall:

   (a) be limited to a maximum of 12,382,984 Ordinary Shares (being equal to 14.99 per cent of the issued share capital of the Company as at 26 June 2020); and

   (b) not permit payment of a price per Ordinary Share, exclusive of expenses, of less than £0.01 or more than 105 per cent of the average price at which business was done in the Ordinary Shares of the Company in the five business days preceding the purchase; and

   (c) expire (unless and to the extent previously revoked, varied or renewed by special resolution) at the conclusion of the Annual General Meeting of the Company to be held in 2021 or, if earlier, the date 15 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 purchased after this authority expires and the Company may purchase such Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Registered Office:

55 Athol Street
Douglas
Isle of Man IM1 1LA

By Order of the Board

P P Scales
Company Secretary

Dated 29 June 2020

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

1. In accordance with current guidance regarding Covid-19 and the travel restrictions into the Isle of Man, **we recommend that you should not attempt to physically attend the AGM**. Instead, we recommend that you vote by proxy, in accordance with the instructions below, **so as to arrive not later than 11.00 a.m. on 19 August 2020,** being 48 hours before the time of the meeting.

2. A Form of Proxy is enclosed which, to be valid, must be completed and delivered to FIM Capital Limited, either by post to 55 Athol Street, Douglas, Isle of Man, IM1 1LA, or sent by facsimile to +44 (0)1624 681392 or scanned and e-mailed to HRoberts@fim.co.im, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of such authority) so as to be received by FIM Capital Limited by not later than 11.00 a.m. on 19 August 2020, being 48 hours before the time of the meeting.

3. 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 11.00 a.m. on 19 August 2020 (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 vote in respect of the Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 11.00 a.m. on 19 August 2020 (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 vote.

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 2020, 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 confer the Company with authority to make open market purchase of Company shares.

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 4 and 5 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 4 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 £825,532.22, such authority to expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2021 or the date falling 15 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 5) 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 £825,532.22. This authority will expire on the date falling 15 months after the passing of this resolution or the date of the Annual General Meeting to be held in 2021, whichever is the earlier.

Authority to make open market purchase of Ordinary Shares

It is proposed to grant the Company an authority to purchase the Company's Ordinary Shares in the open market.

Notice of Annual General Meeting (continued)

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

It is proposed to allow the Directors to purchase Ordinary Shares in the open market on such terms and in such manner as the Directors shall determine, but subject to the Articles and the Companies Act 2006, provided that such authority will be limited to the purchase of a maximum of 12,382,984 Ordinary Shares (being equal to 14.99 per cent of the issued share capital of the Company as at 26 June 2020), at a purchase price per Ordinary Share, exclusive of expenses, of not less than £0.01 nor more than 105 per cent of the average price at which business was done in the Ordinary Shares of the Company in the five business days preceding the purchase, such authority to expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2021 or the date falling 15 months after the passing of this resolution. In accordance with Isle of Man Law, the Directors must ensure that the Company satisfies a statutory solvency test upon any open market purchases of Ordinary Shares being made. In addition, as permitted under Isle of Man law, any amounts credited to a capital redemption reserve as a result of the open market purchases of Ordinary Shares made by the Company may subsequently be reclassified to distributable reserves at the discretion of the Directors.