

ADAMS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021



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
3rd Floor
80 Cheapside
London
EC2V 6EE

Crest Agent

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

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Chairman's Statement

for the year ended 31 March 2021

Results

Adams Plc ("Adams" or the "Company") achieved a good performance during the year ended 31 March 2021 recording a gross investment return of £3.24 million, which, after overhead costs of £0.15 million, resulted in a net profit after tax of £3.09 million. This compares to a loss after tax of £0.30 million for the prior year ended 31 March 2020. The improvement in profitability is principally due to higher investment returns in the year.

During the year, the Company spent £1.90 million on the purchase of additional investments and generated cash proceeds of £1.21 million from the sale of two of its investments and the partial realisation of another. The carrying value of investments at 31 March 2021 was £5.11 million, represented by six listed and one un-listed investment holdings, versus £1.18 million at 31 March 2020, represented by five listed and one un-listed investment holdings.

Net assets increased to £5.15 million (equivalent to 6.24p per share) at the 31 March 2021 balance sheet date, compared with £2.06 million (equivalent to 2.50p per share) at the previous year end. The £3.09 million increase in net assets reflects the profit reported for the year.

Cash and cash equivalent balances were £0.05 million at 31 March 2021 compared to cash balances of £0.90 million at 31 March 2020.

Subsequent to the 31 March 2021 year end, Adams raised gross cash proceeds of £4.11 million under a placing and open offer in April 2021 which has significantly further increased the Company's net asset base. The Strategic Report includes a pro-forma balance sheet for Adams which discloses net assets of £9.21 million following the placing and open offer.

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 principal listed investments held by the Company at 31 March 2021 comprised C4X Discovery Holdings Plc ("C4XD"), Circassia Pharmaceuticals plc ("Circassia") and Griffin Mining Limited ("Griffin") and Adams also holds Oxehealth Limited ("Oxehealth") as a principal unquoted investment.

C4XD is a pioneering drug discovery company combining scientific expertise with cutting-edge drug discovery technologies to efficiently deliver world-leading medicines which are developed by licensing partners. The company applies its enhanced DNA-based target identification and candidate molecule design capabilities to generate small molecule drug candidates across multiple disease areas including inflammation, oncology, neurodegeneration and addictive disorders. To date C4XD has successfully out-licensed two programmes with one candidate in clinical development. C4XD reported a loss after tax of £3.6 million in the six months ending 31 January 2021 inclusive of R&D investment of £3.3 million and with no revenues. Cash balances at 31 January 2021 amounted to £15.4 million. Post that period end, the company is due an imminent EUR€7 million upfront payment in relation to an exclusive worldwide licensing agreement signed with Sanofi in April 2021. The shareholding of Adams in C4XD at 31 March 2021 was, and continues to be, 2.21 per cent of the C4XD shares in issue.

Circassia is an AIM listed global medical device company focused on respiratory diagnostics and monitoring. In April 2020, the company announced a transaction to terminate the development and commercialisation agreement between the company and AstraZeneca for the U.S. commercial rights to Tudorza® and Duaklir® and the transfer of these products back to AstraZeneca in order to transform Circassia into a debt-free business with a strong Niox based continuing operations business. The company's management has subsequently undertaken a major restructuring of the business to focus on Niox which has delivered significant cost savings. On current gross margins, this means that the EBITDA breakeven point for the Niox business will be at around £30 million of annualised revenue. Revenues for the continuing Niox business for the year ended 31 December 2020 were £23.9 million (2019: £34.6 million) having been impacted by the Covid-19 pandemic. Cash balances at 31 December 2020 amounted to £7.4 million but Circassia subsequently raised gross cash proceeds of £5.0 million through a share subscription in March 2021. The shareholding of Adams at 31 March 2021 was, and continues to be, 0.74 per cent of the Circassia 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. Despite Covid-19 related interruptions to operations in the first quarter of 2020, the Group recorded a 6.5% increase in operating profits in the year to 31 December 2020, primarily as a result of higher zinc metal prices received and reduced costs. Griffin reported a profit of US\$8.9 million after tax for that year on reduced revenues of US\$74.4 million. Subsequently in January 2021, Griffin announced a major achievement in finally securing a significant new mining license from the Chinese Ministry of Land and Natural Resources which catapults Griffin into the ranks of one of the largest zinc producers in China. The shareholding of Adams in Griffin as at 31 March 2021 was, and continues to be, 0.27 per cent of the Griffin shares in issue.

Oxehealth is a private company that is involved in vision-based patient monitoring and management, using proprietary signal processing and computer vision to process normal digital video camera data to 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. This is achieved through the deployment of their Digital Care Assistant platform which enables clinicians to take non-contact cardiorespiratory measurements of patients' pulse and breathing rate, generates alerts to potentially risky activity and reports on patients' vital signs and behaviour, all without the clinician entering the patient's room. At 31 March 2021, the investment holding by Adams in Oxehealth's represents 2.4 per cent of Oxehealth's issued share capital at that date.

In addition to the above investments, at 31 March 2021 Adams held quoted holdings in three other AIM listed companies comprising 4D Pharma Plc, which is a pioneer in harnessing bacteria of the gut microbiome as a novel and revolutionary class of medicines, known as live biotherapeutics; Source Bioscience International Plc, which is an international provider of state-of-the art laboratory services, clinical diagnostics and analytical testing services; and Afentra Plc which has a strategic imperative of capitalising on opportunities resulting from the accelerating energy transition on the African continent.

Post year end investment transaction. Subsequent to the Company's 31 March 2021 year end, Adams announced that on 6 May 2021 it had purchased 8 million shares in AIM listed Seeing Machines Limited for a total cash consideration of £0.91 million. The investment holding represents 0.21 per cent of the currently issued ordinary share capital of Seeing Machines. This company is an industry leader in advanced computer vision technologies and designs AI-powered operator monitoring systems to improve transport safety in automotive, commercial fleet, aviation, rail and off-road markets.

Adams subsequently also announced on 27 May 2021 that it had committed to subscribe for 2.5 million shares in Motif Bio Plc for a total cash consideration of £0.5 million under a conditional placing agreement. The conditions of the placing were, however, not met and the related £0.5 million commitment by Adams fell away on 14 June 2021.

Adams had remaining cash balances of approximately £3.18 million following the post year end investment transaction in Seeing Machines noted above and receipt of the £4.11 million placing and open offer cash proceeds in April 2021.

Outlook

Whilst the arrival of a number of Covid-19 vaccines and the associated roll-out of the global vaccination programs should now provide a pathway for the gradual easing of the social and economic restrictions currently in force, the full economic fallout from this pandemic remains uncertain.

The Adams Board will, therefore, remain vigilant in the face of this uncertain future and will continue to apply a disciplined investment approach to both preserve shareholder capital in the near term and deliver additional value for shareholders over the longer term. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio.

Michael Bretherton

Chairman

28 June 2021

Strategic Report

for the year ended 31 March 2021

The Directors present their Strategic Report with the Financial Statements for Adams Plc ('Adams' or 'the Company') for the year ended 31 March 2021.

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 9.

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 2021	31 March 2020
Net assets (£'000)	5,153	2,063
Net asset value per share (£)	0.0624	0.0250
Profit/(loss) after tax (£'000)	3,090	(303)
Cash and short term deposits with banks (£'000)	49	904

Statement of income

The Company reported a profit after tax for the year ended 31 March 2021 of £3.09 million compared to a loss of £0.30 million in the previous year. The profitability for the current financial year was generated by a strong investment portfolio performance in terms of both realised disposals and unrealised revaluation gains.

The Company continued to operate a low-cost base with administrative costs of £0.15 million incurred, in line with the £0.15 million for the previous year.

Statement of financial position

Net assets increased to £5.15 million at the 31 March 2021 balance sheet date, compared with £2.06 million at the 31 March 2020 prior financial year end.

The carrying value of investments at 31 March 2021 was £5.11 million (represented by 7 investment holdings) versus a value of £1.18 million at 31 March 2020 (represented by 6 investment holdings).

Cash and cash equivalent balances were £0.05 million at 31 March 2021 compared to cash balances of £0.90 million at the prior 31 March 2020 period end.

Cash flow

The Company's cash balances decreased by £0.85 million during the year. This decrease reflects cash outflows of £1.90 million spent on the purchase of additional investments, together with £0.16 million of net overheads costs and working capital movement outflows, partially offset by investment disposal proceeds received of £1.21 million.

Post balance sheet placing and open offer of new ordinary shares

On 26 March 2021 the Company announced a proposed placing and open offer of new ordinary shares.

The Company subsequently placed 8,650,000 ordinary shares of 1p each in the Company at a price of 6.5 pence per share raising gross proceeds of £562,250 on 1 April 2021.

On 15 April 2021 the Company announced the closure of the open offer, with valid applications received in respect of 54,655,999 ordinary shares at the issue price of 6.5 pence, raising a further £3,552,640 of gross cash proceeds for the Company.

Expenses incurred in relation to the gross cash proceeds raised amounted to £57,000.

The pro forma balance sheet of the Company is set out below to illustrate the effect on the balance sheet had the placing and subscription occurred on 31 March 2021. It has been prepared for illustrative purposes only and no other adjustments have been made to reflect any trading, changes in working capital or other movements since 31 March 2021. Because of its nature, the pro forma balance sheet addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position.

	As 31 March 2021 £'000	Issue of placing shares £'000	Issue of open offer shares £'000	Expenses £'000	Pro-forma following Placing and open offer £'000
Investments	5,105	-	-	-	5,105
Prepayments	22	-	-	-	22
Cash and cash equivalents	49	562	3,553	(57)	4,107
Trade and other payables	(23)	-	-	-	(23)
Net assets	5,153	562	3,553	(57)	9,211

Directors

The Company has 3 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 7 and 8.

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 no utilised 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.

Strategic Report (continued)

for the year ended 31 March 2021

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 appropriate 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 £0.05 million as at 31 March 2021 (31 March 2020: £0.90 million). Subsequent to the year end the Company raised gross cash proceeds of £4.11 million from the issue of shares under a placing and open offer in April 2021 (see note 18 to the financial statements).

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

In April 2021, the Company raised gross cash proceeds of £4.11 million under a placing and open offer which increased the Company's net assets base to approximately £9.21 million. A summary of all significant transactions entered into by the Company subsequent to 31 March 2021 is given in note 18 of the financial statements.

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
28 June 2021

Directors' Report

for the year ended 31 March 2021

The Directors present the report and financial statements of Adams Plc for the year ended 31 March 2021.

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 17. 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 to the financial statements.

Secretary

The Secretary of the Company holding office for the year ended 31 March 2021 was Philip Scales.

Directors

The following Directors have held office since 1 April 2020:

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, 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 7 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 focussing on novel digital health and life science technologies. In addition to his clinical and research work, Dr Mitchell is the founding director of an innovative heart screening company and he also acts as an advisor to digital health start-up companies.

Directors' Report (continued)

for the year ended 31 March 2021

Directors' remuneration

Details of the Directors' fees are shown below.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'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 2021, Mr Bretherton, Mr Woolard and Mr Mitchell did not hold any interest in the Company's shares (2020: nil) but as at 18 June 2021, the Directors held the following interests in the Company:

	Ordinary shares held 18 June 2021	Ordinary shares held 31 March 2021
M.A. Bretherton	1,385,00	—
N J Woolard	—	—
A R J Mitchell	308,000	—

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 2021, the Company had £0.05 million (2020: £0.90 million) of cash, cash equivalents and short term deposits available to it. Subsequent to the year end the Company raised gross cash proceeds of £4.11 million from the issue of shares under a placing and open offer in April 2021 (see note 18 to the financial statements). 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 2021, please see note 18 of the financial statements. That note includes details of a placing and open offer completed in April 2021 and included in the Strategic Report is a pro-forma balance sheet of the Company which discloses a pro-forma enlarged net asset base of £9.21 million following the placing and open offer.

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% or more of the issued ordinary share capital of the Company as at 18 June 2021:

Richard Griffiths	80.3 per cent
David Richardson	11.7 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 Companies Registered office at 55 Athol Street, Douglas, Isle of Man, IM1 1LA at 11:00 a.m. on 25 August 2021 at 11:00 a.m.

Important: COVID-19 implications – participating in the AGM. In consideration of the current guidance regarding Covid-19 and the potential travel restrictions into the Isle of Man, we recommend 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 23 August 2021**, 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. Due to restrictions on attendance at the AGM, when completing your proxy form, please only reference the Chairman of the AGM as your proxy (and do not specifically name any one individual).

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 15.00 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.

Directors' Report (continued)

for the year ended 31 March 2021

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

As required by AIM Rule 26, the Company has adopted an officially recognised corporate governance code in the form of the Quoted Companies Alliance Code. The Company continues to focus on the principles of effective corporate governance.

The Company's corporate governance statement in relation to the QCA Code can be viewed on the Company's investor webpage at <https://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.

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

Andrew Mitchell

Non-executive Director

28 June 2021

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 2021 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 their preparation is the Companies Acts 1931 to 2004 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 2021 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 Acts 1931 to 2004;

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the company, its business model and related risks including where relevant the impact of the COVID-19 pandemic and Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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	
<p>A significant balance on the statement of financial position is investments of £5,105,000 (2020: £1,178,000) at 31 March 2021 as detailed in Note 11.</p> <p>During the year there were net additions of £1,900,000 (2020: £1,378,000) and disposals of £617,000 (2020: £1,956,000) and unrealised gains on the revaluation of investments of £2,644,000 (2020: loss £319,000).</p> <p>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.</p>	<p>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;</p> <p>Tested the mathematical accuracy of the valuation calculations as well as the calculations for acquisitions and disposals;</p> <p>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;</p> <p>Evaluated the sufficiency of the disclosures for critical accounting estimates and judgements related to the valuation of the investments.</p>
Going concern assumption	
<p>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.</p> <p>The going concern assumptions is dependent on future growth of the current business. No future capital raises were being considered to maintain the business.</p>	<p>Evaluated the suitability of management's model for the forecast.</p> <p>The forecast includes assumptions related to future cash flows and associated risks.</p> <p>Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.</p>

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 judgment, we determined a materiality of £52,000 (2020: £41,000) for the financial statements as a whole. A benchmark of 1% 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 £2,500 (2020: £2,000) 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 judgments, 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements or a material misstatement in the financial statements themselves. 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 Acts 1931 to 2004 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of investing companies.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 1931 to 2004, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 4 of the Company financial statements were indicative of potential bias; and,
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;

Independent Auditors' Report (continued)

to the members of Adams Plc

- enquiring of management as to actual and potential litigation and claims; and,
- reviewing correspondence from local authorities and the company's legal advisor.

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, in accordance with Section 15 of the Isle of Man Companies Act 1982. 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.

Jeffreys Henry LLP (Statutory Auditor)

Finsgate
5-7 Cranwood Street
London EC1V 9EE

28 June 2021

Statement of Comprehensive Income

for the year ended 31 March 2021

Statement of Income

	Notes	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Dividend income	5	3	83
Gain/(loss) on investments	5	3,234	(245)
Investment return		3,237	(162)
Expenses and other income			
Administrative expenses	8	(153)	(152)
Other income		–	1
Operating profit/(loss)		3,084	(313)
Interest income		6	10
Profit/(loss) on ordinary activities before taxation		3,090	(303)
Tax on profit on ordinary activities	9	–	–
Profit/(loss) for the year		3,090	(303)
Basic and diluted profit/(loss) per share	10	3.74p	(0.37)p

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 21 to 32 form an integral part of the financial statements.

Statement of Financial Position

as at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Assets			
Non-current assets			
Investments	11	5,105	1,178
Current assets			
Trade and other receivables	12	22	9
Cash and cash equivalents		49	904
Current assets		71	913
Total assets		5,176	2,091
Liabilities			
Current liabilities			
Trade and other payables	13	(23)	(28)
Total liabilities		(23)	(28)
Net current assets		48	885
Net assets		5,153	2,063
Equity			
Share capital	15	826	826
Retained earnings reserve		4,327	1,237
Total shareholder equity		5,153	2,063

The financial statements were approved and authorised for issue by the Board on 28 June 2021 and signed on its behalf by:

Michael Bretherton
Chairman

Company number – 004145V (Isle of Man)

The accounting policies and explanatory notes on pages 21 to 32 form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 31 March 2021

	Share Capital £'000	Retained earnings reserve £'000	Total £'000
At 1 April 2019	826	1,540	2,366
Changes in equity			
Total comprehensive loss	–	(303)	(303)
At 31 March 2020	826	1,237	2,063
Changes in equity			
Total comprehensive gain	–	3,090	3,090
At 31 March 2021	826	4,327	5,153

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

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

The accounting policies and explanatory notes on pages 21 to 32 form an integral part of the financial statements.

Statement of Cash Flows

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Profit/(loss) for the year		3,090	(303)
Unrealised (gain)/loss on revaluation of portfolio investments	5	(2,644)	319
Realised gain on disposal of portfolio investments	5	(590)	(74)
Increase in trade and other receivables		(13)	(7)
(Decrease)/increase in trade and other payables		(5)	2
Net cash outflow from operating activities		(162)	(63)
Cash flows from investing activities			
Purchase of portfolio investments	11	(1,900)	(1,378)
Proceeds from sales of investments	11	1,207	2,030
Net cash (used)/generated from investing activities		(693)	652
Net (decrease)/increase in cash and cash equivalents		(855)	589
Cash and cash equivalents at beginning of year		904	315
Cash and cash equivalents at end of year		49	904

The accounting policies and explanatory notes on pages 21 to 32 form an integral part of the financial statements.

Notes to the Financial Statements

for the year ended 31 March 2021

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

2.2 Going Concern

The Board of Directors have considered the current financial position and the cash flow forecasts and commitments of the Company looking forward 12 months from the date the financial statements were signed and have reasonable expectation that the Company will be able to continue in operation and meet its liabilities. The financial statements have therefore been prepared on a going concern basis.

2.3 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. Standards issued but not yet effective

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 2020:

- IFRS 3 Definition of a Business (Amendments to IFRS 3)
- IAS 1 and IAS 8 Definition of Material (Amendments to IAS 1 and IAS 8)
- IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

Adoption of these new and amended standards has had no material impact on the financial statements of the Company.

Accounting Standards or interpretations, not yet early adopted

A number of new standards, amendments to existing standards and interpretations which have been issued or amended by IASB, are not yet effective and have not been applied in preparing these financial statements. The Directors are considering the standards, however, at this time they are not expected to have a significant impact on the Company.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.4 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.

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.

2 Summary of significant accounting policies (continued)

- (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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.5 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.

2.6 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 Summary of significant accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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 (£).

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Impact of 10% price change		
Portfolio investments	511	118

(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.

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 2021, 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.

3 Financial risk management (continued)

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 2021 £'000	As at 31 March 2020 £'000
Cash, cash equivalents and short-term deposits A	47	201
No rating provided*	2	703
	49	904

* 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 2021				
Investments	–	–	5,105	5,105
Cash and cash equivalents	49	–	–	49
Trade and other payables	–	(23)	–	(23)
Net Total	49	(23)	5,105	5,131
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

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 short term deposit balances at 31 March 2021 and 31 March 2020 are detailed above in note 3 to the financial statements.

At 31 March 2021 and 31 March 2020, 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 2021

3 Financial risk management (continued)

3.2 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 judgments

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 2021 at a valuation of £4.54 million (2020: £1.05 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 2021 were:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Unrealised gain/(loss) on the revaluation of portfolio investments	2,644	(319)
Realised gains on the disposal of portfolio investments	590	74
Gain/(loss) on investments	3,234	(245)
Dividend income	3	83
Investment return	3,237	(162)

6 Directors remuneration and fees

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'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 2021 Number	Year ended 31 March 2020 Number
Directors	3	3
	3	3

Employment costs

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Remuneration for qualifying services	48	48
Social security costs	2	2
	50	50

8 Analysis of administrative expenses by nature

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Operating loss is stated after charging:		
Directors emoluments	50	50
Audit fees	11	10
Broker and professional and listed company fees	86	89
Other administrative expenses	6	3
	153	152

9 Taxation

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'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 2021

10 Earnings per share

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Profit/(loss) after tax attributable to equity holders of the Company	3,090	(303)
Weighted average number of ordinary shares	82,553,232	82,553,232
Basic and diluted profit per share	3.74p	(0.37)p

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. There are currently no potentially issuable shares in existence.

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	Derivative trading asset £'000	Unquoted Loan Notes £'000	Total £'000
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 loss on revaluation	(319)	–	–	–	(319)
Fair value at 31 March 2020	1,049	5	–	124	1,178
Additions at cost	1,328	566	–	6	1,900
Disposals	(482)	(5)	–	(130)	(617)
Unrealised gain on revaluation	2,087	–	557	–	2,644
Fair value at 31 March 2021	3,982	566	557	–	5,105

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

The portfolio holdings in unquoted loan notes and unquoted equity shares held at 31 March 2020 were disposed of during the financial year in exchange for quoted equity shares upon the investee company becoming listed.

The derivative trading asset at 31 March 2021 reflects the fair value of share warrants held in a listed company. The share warrants are able to be exercised at any time during a 5 year period commencing on 12 May 2021. The warrants are considered a Level 3 investment and have been valued using a Black Scholes option model to compute the present value of the warrants in light of current market conditions. The inputs to the model included a 0.2 per cent. risk free rate, a spot price of 39.2p, a strike price of 28.0p and a volatility rate of 58 per cent.

12 Trade and other receivables

	31 March 2021 £'000	31 March 2020 £'000
Prepayments	22	9
	22	9

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

13 Trade and other payables

	31 March 2021 £'000	31 March 2020 £'000
Trade payables	8	14
Accruals	15	14
	23	28

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

14 Borrowings

The Company has a facility loan agreement (the "Loan Agreement") in place with the Company's largest shareholder, Richard Griffiths, 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 2021.

15 Share capital and share premium

Ordinary shares of £0.01	Number of shares issued and fully paid	Share capital £'000
At 31 March 2019	82,553,232	826
Issue of shares	–	–
At 31 March 2020 and 31 March 2021	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 of the Company.

The authorised Ordinary Share capital of the Company at 31 March 2021 is 350,000,000 Ordinary Shares of £0.01 each (31 March 2020: 350,000,000 Ordinary Shares of £0.01 each) and remains so.

The issued share capital of the Company increased to 145,859,231 shares following the closure of a Placing and Open Offer (see note 18) in April 2021.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

16 Related party relationships and transactions

The Company continues to have access to a £3,000,000 loan facility loan provided by Richard Griffiths, who is the controlling shareholder of Adams (see notes 14 and 19). The facility remained undrawn at 31 March 2021.

On 9 June 2020, Adams committed to subscribe for 21,630 new ordinary shares in Oxehealth at a price of £26.19 per share for a total cash consideration of £566,490 under a subscription agreement ("Subscription Agreement") to raise gross subscription proceeds of £5 million for Oxehealth. Settlement of the cash consideration by Adams was by way of payment of £339,894 on the first completion date in June 2020, followed by payment of £226,596 on the second final completion date in November 2020. The Company's total holding of 21,630 ordinary shares in Oxehealth following the second final completion represents 2.4% of the issued ordinary share capital of Oxehealth at that date.

At the time that Adams committed to subscribe for those new ordinary shares in Oxehealth, Richard Griffiths, who now has an interest in 80.3% of Adams' issued share capital, had an interest of 20.33% in Oxehealth's issued share capital and Michael Bretherton, Chairman of Adams, held an interest of 0.18% in Oxehealth's issued share capital. Richard Griffiths subscribed for 15,274 new ordinary shares in Oxehealth under the Subscription Agreement through his controlled undertaking, ORA Limited, and Mr Bretherton subscribed for 1,528 new ordinary shares in Oxehealth under the Subscription Agreement. Following full completion of the Subscription Agreement, Mr Griffiths had a total interest representing 20.06% of Oxehealth's enlarged share capital, including the Oxehealth shares held by Adams. Other substantial shareholders in Oxehealth include the IP Group plc, which also invested under the Subscription Agreement in order to maintain their interest of approximately 35% in Oxehealth's issued share capital. As a result of Michael Bretherton's personal interest in Oxehealth and his directorship of ORA Limited, he took no part in the Board's decision to invest in Oxehealth.

Michael Bretherton applied for and received 1,385,000 ordinary shares in the Company as part of the share placing announced by the Company in March 2021. Andrew Mitchell applied for and received 308,000 shares as part of that same placing (see note 18).

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 8.

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 2020: Nil).

18 Events after the reporting period

On 26 March 2021 the Company announced a proposed placing and open offer of new ordinary shares.

The Company subsequently placed 8,650,000 new ordinary shares of 1p each in the Company at a price of 6.5 pence per share raising gross proceeds of £562,250 on 1 April 2021.

On 15 April 2021 the Company announced the closure of the open offer, with valid applications received in respect of 54,655,999 Ordinary Shares at the Issue Price of 6.5 pence, raising a further £3,552,640 of gross cash proceeds for the Company.

On 6 May 2021, the Company announced it had acquired an investment of 8 million shares in Seeing Machines Limited for a total cost of £0.91million.

On 27 May 2021, the Company announced that it had committed to subscribe for 2.5 million shares in Motif Bio Plc for a total cash consideration of £0.5 million under a conditional placing agreement. The conditions of the placing were, however, not met and the related £0.5 million commitment by Adams fell away on 14 June 2021.

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 Director's Report on page 9.

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 **2021 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 25 August 2021.

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

Important: COVID-19 implications – participating in the AGM. In consideration of the current guidance regarding Covid-19 and the potential travel restrictions into the Isle of Man, we recommend 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 23 August 2021**, 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 2021 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** Michael Bretherton 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 £1,458,592.31; (being equal to 100 per cent of the issued share capital of the Company as at 28 June 2021) 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 2022 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 disappplied 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 £1,458,592.31 (being equal to 100 per cent of the issued share capital of the Company as at 28 June 2021) 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 2022 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.

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 21,878,885 Ordinary Shares (being equal to 15.00 per cent of the issued share capital of the Company as at 28 June 2021); 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 2022 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:

By Order of the Board

55 Athol Street
Douglas
Isle of Man IM1 1LA

P P Scales
Company Secretary

Dated 28 June 2021

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 23 August 2021**, 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 LCain@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 23 August 2021, 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 23 August 2021 (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 23 August 2021 (or, in the event that the meeting is adjourned, on the register of members less than 48 hours before the time of any adjournment 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 2021, to re-elect Michael Bretherton 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, and to disapply the pre-emption rights under Article 5.2 of the Articles.

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 allot 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 £1,458,592.31, such authority to expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2022 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 £1,458,592.31 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 2022, whichever is the earlier.

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)

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.

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 21,878,885 Ordinary Shares (being equal to 15.00 per cent of the issued share capital of the Company as at 28 June 2021), 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 2022 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.

