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DIRECTORS, OFFICERS AND ADVISERS

Directors

James Ede-Golightly
Christopher Hill
Gordon Hall

Chairman
Non-executive director
Non-executive director

Company Secretary

Christopher Hill

Registered Office

DWF
Bridgewater Place
Water Lane
Leeds LS11 5DY

Broker and Nominated Adviser

WH Ireland Limited
4 Colston Avenue
Bristol BS1 4ST

Independent Auditor

Nexia Smith & Williamson
Portwall Place
Portwall Lane
Bristol BS1 6NA

Registrar

Neville Registrars
Neville House
18 Laurel Lane
Halesowen B63 3DA

CHAIRMAN'S STATEMENT

At the end of the year the company's net assets were 0.26p per share, an increase from 0.25p since December 2013 and a decline from 0.33p per share in June 2013.

The loss for the year declined from £1.98m to £0.69m, the improvement reflecting the non-repetition of exceptional administrative expenses, partially offset by a continued decline in the carrying value of Wessex Exploration Plc, which is held as an asset available for sale.

A recovery in the market value of the company's interest in Plant Health Care resulted in gain of £211k during the second half of the year. While the carrying value remains below book cost of 78p, the company reported encouraging progress with its strategy in an interim results statement released on 15 September 2014.

Other income increased to £181k (2013:£22k) through the provision of third party services to generate supplemental income. This income helped offset administrative expenses, which declined to £517k (2013: £852k).

Having substantially exited the company's oil and gas portfolio in the prior year the company's residual dormant licenses over the Solitaire acreage expired during the year, there was no financial impact as these assets had previously been written down in the prior financial year.

During the second half of the year further measures have been undertaken to reduce administrative overhead, which is anticipated to fall to under £250k in the current financial year.

Having simplified the group structure and reduced expenditure while retaining a strong balance sheet, the group is in an increasingly attractive position to address corporate opportunities as they arise. The board will inform investors of future developments when they arise.

James Ede-Golightly

Chairman

24 September 2014

STRATEGIC REPORT

Strategy and business objectives

The full strategy is set out under section 3 of the circular dated 18 March 2013 which was approved by shareholders at a general meeting held on 11 April 2013.

Quoram's objectives for the future are to identify investment opportunities offering the potential to deliver value creation to Shareholders over the medium to long term, as measured by growth in net asset value (NAV) after adjusting for distributions. Depending on specific circumstances, investments may range from minority shareholdings to the acquisition of wholly owned trading subsidiaries, and such investments may be quoted or unquoted. Acquisitions or investments may be funded through the issue of new Ordinary Shares, debt or from the Company's existing cash resources. The Board will have full discretion to focus the Company's investment resource around those opportunities it has identified as offering the best potential for value creation.

The year to 30 June 2014 was a period of consolidation for the Group. All past oil and gas exploration activities have now been ceased and all operating licenses have now expired. The Group's ability to pursue its Investing Policy has been delayed by the continued decline in the value of its historic investment in Wessex Exploration Plc.

The Board are actively pursuing opportunities to increase shareholder value.

Results

The loss for the year ended 30 June 2014 was £688,000 (2013: loss of £1,983,000).

Business Review

A review of the Group's performance and future prospects is contained in the Chairman's Statement on page 3.

Development and performance

The Group's Investments did not perform as expected in the year to 30 June 2014, as described in the Chairman's Statement on page 3.

Revenues from the provision of advisory services in the year rose from £22k in 2013 to £181k reflecting an increase of investment consultancy services provided.

A significant amount of work has been undertaken in the year to successfully exit historic oil and gas exploration commitments. This has now largely been completed allowing the Group to focus on the new Investment Strategy. The board is increasingly focused on identifying a small number of strategic investment opportunities. The board continues to review such opportunities and will update shareholders when further investments are made. With a significant proportion of the balance sheet in cash and a low overhead, the Company is well positioned to capitalise on opportunities as they arise.

Position at year end

The Group finished the year with cash and cash equivalent balances of £1.73 million (2013: £1.99 million). Net assets at 30 June 2014 were £2.52 million compared to £3.22 million at 30 June 2013.

Key performance indicators

The key indicators of performance for the business in its current stage are the financial performance of its Portfolio Investments. The Group recognised an unrealised loss of £361k in the year to 30 June 2014 compared to an unrealised total comprehensive loss of £2,055k in the year to 30 June 2013.

The control of overhead spend is also of high importance to ensure the Group is being managed efficiently. Budgets are monitored closely to ensure adequate financial resources are available to meet financial commitments as they arise. Total administrative expenses for the year were £517k compared to £852k in the prior year.

Net assets per share is an important indicator of the Group's financial performance. The net assets per share declined from 0.33p at 30 June 2013 to 0.26p at 30 June 2014, mainly reflecting the loss in value of Portfolio Investments and the cash expended during the year.

Principal risks and uncertainties

The Group considers that the principal risks to achieving its business objectives are as follows:

Market risk

The main risk arising from the Group's operations are market price risk associated with its Portfolio Investment assets. The Director's review and agree policies for managing risk at least annually. The directors believe that they have mitigated these risks as far as reasonably practicable – by maintaining a rigorous investment appraisal and asset monitoring procedure and continually reviewing and seeking to improve such controls as well as business processes and procedures.

Attraction and retention of key employees

Attracting and retaining key personnel is critical to the long-term success of the business. The Group aims to provide remuneration and working conditions that will both attract and retain high calibre employees. The Group operates a share option scheme for certain senior staff which allows them to benefit from future improvements in the Company's share price.

Funding

The Group has £1.73 million of cash and cash equivalents as at 30 June 2014. The Directors believe that this is sufficient to allow them to execute the Investment Policy flexibly in the coming years. However, were significant un-foreseen expenses to arise, additional finance may be required. The Board try to mitigate this risk by regularly reviewing budgets and analysing future cash requirements.

On behalf of the Board

James Ede-Golightly

Chairman

24 September 2014

REPORT OF THE DIRECTORS

for the year ended 30 June 2014

The directors present their report together with the consolidated financial statements for the year ended 30 June 2014.

Principal Activities

Quoram plc is a public limited company which is listed on the AIM market of the London Stock Exchange and is incorporated and domiciled in the UK. The company is an investment holding and management company whose principal activity is investment in and growth and development of businesses within its investment portfolio. Further information on the principal activities is given in the Chairman's statement on page 3.

Financial Risk Management and Objectives

The group uses various financial instruments including cash and items such as trade receivables and trade payables that arise directly from its operations. The existence of these financial instruments exposes the group to a number of financial risks, which are described in notes 17 and 18 of the consolidated financial statements.

Dividends

No interim dividend (2013: £nil) was declared during the year and the Directors do not recommend payment of a final dividend in respect of the year ended 30 June 2014 (2013: £nil).

Directors

The directors holding office during the year and their interests in the shares of the Company as at 1 July 2013 and 30 June 2014 were as shown in the table below.

Executive Directors	Non-Executive Directors
J Ede-Golightly	B Marshall (resigned 1 November 2013) C Hill (appointed 8 August 2013) G Hall

Ordinary Shares

	30 June 2014	1 July 2013
J Ede-Golightly	6,250,000	6,250,000
C Hill	–	–
G Hall	2,500,000	2,500,000
B Marshall	330,000	330,000

Share Options	30 June 2014	01 July 2013	Weighted average exercise price	Range of exercise prices	Weighted average contractual life
J Ede-Golightly	–	–	–	–	–
C Hill	–	–	–	–	–
G Hall	–	–	–	–	–
B Marshall	–	1,700,000	4.2p	1p – 5p	3 years

Details of individual share option grants are shown in the table below.

Grant date: 5 May 2007	Number of options granted	Exercise price	Vesting date	Expiry date
B Marshall	200,000	1p	05-May-10	05-May-17

Grant date: 20 February 2008	Number of options granted	Exercise price	Vesting date	Expiry date
B Marshall	500,000	4p	20-Feb-11	20-Feb-18

Grant date: 19 May 2011	Number of options granted	Exercise price	Vesting date	Expiry date
B Marshall	1,000,000	5p	19-May-14	19-May-21

Profile of the directors

James Ede-Golightly

James is chairman of Quoram Plc and East Balkan Properties Plc, he is also a Non-Executive Chairman of Oxford Advanced Surfaces Group Plc. He has extensive experience as a non-executive on the boards of AIM-quoted companies with international business interests. James was a founder of ORA Capital Partners in 2006, having previously worked as an analyst at Merrill Lynch Investment Managers and Commerzbank. He is a CFA Charterholder and holds an MA in economics from Cambridge University. In 2012 he was awarded New Chartered Director of the Year by the Institute of Directors.

Chris Hill

Chris graduated in Economics and Public Policy from Leeds Metropolitan University where he combined his studies with a professional rugby career. He then went on to gain his professional accountancy qualification with Grant Thornton where he gained experience of a wide range of businesses from small private clients to full list PLC's. He subsequently joined the AIM listed investment company, ORA Capital Partners Ltd, as Group Financial Controller in 2010 where he was responsible for all aspects of financial management including statutory financial reporting, corporate transactions and fundraises. He is also a director of Oxford Pharmascience Group Plc.

Gordon Hall

Gordon is a non-executive director of Nanoco Group Plc and EKF Diagnostics Plc. After an early career in teaching, Gordon built up substantial international sales, management and development expertise with Rank Xerox and Abbott Laboratories. He became Chief Executive Officer of Shield Diagnostic Ltd (now Axis Shield Plc) in 1990 and was responsible for listing the company on the London Stock Exchange.

Directors' remuneration

The remuneration of the directors for the year ended 30 June 2014 was as follows:

	2014 £'000	2013 £'000
Salaries and fees		
A Yeo	n/a	34
J Ede-Golightly	25	25
F Dekker	n/a	5
B Marshall	5	13
G Hall	12	9
C Hill	55	n/a

In addition to the remuneration shown above, the Group incurred share-based payment charges of £nil (2013: £335,000) in respect of the above named directors. The charge for the year ended 30 June 2013 included the accelerated charge to recognize the full cost of share options granted to directors who left the company during that year.

Copies of the Service Agreement for each director are available for inspection at the Company's Registered Office.

Directors' indemnity insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Events after the Balance Sheet Date

The events after the balance sheet date that have arisen since 30 June 2014 are described in note 25 to these financial statements.

Corporate governance

The Group complies with the principles of the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance in September 2013 so far as is practicable and appropriate given the size and constitution of the Board.

The Board

At 30 June 2014 the Board comprised one executive director and two non-executive directors.

Audit committee

The audit committee's primary responsibilities are to monitor the integrity of the financial affairs and statements of the Company, to ensure that the financial performance of the Company and any subsidiary of the Company is properly measured and reported on, to review reports from the Company's auditors relating to the accounting and internal controls and to make recommendations relating to the appointment of the external auditors.

The audit committee comprises Gordon Hall who acts as chairman of the committee and James Ede-Golightly.

Remuneration committee

The remuneration committee's primary responsibilities are to review the performance of the executive directors of the Company and to determine the broad policy and framework for their remuneration and the terms and

REPORT OF THE DIRECTORS (CONTINUED)

conditions of their service and that of senior management (including the remuneration of and grant of options to such person under any share scheme adopted by the Company). The remuneration committee comprises Gordon Hall, who acts as chairman of the committee, and Chris Hill.

The remuneration of non-executive directors shall be a matter for the executive member of the board of the Company.

Internal Control

The Board is responsible for maintaining a sound system of internal control. The Board's measures are designed to manage, not eliminate risk, and such a system provides reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

- (i) Management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the Board which meets at least four times per year;
- (ii) The Company has operational, accounting and employment policies in place;
- (iii) The Board actively identifies and evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks; and
- (iv) There is a clearly defined organisational structure and there are well-established financial reporting and control systems.

Going Concern

At 30 June 2014, the Group had £1.73m (2013: £1.99m) of cash and cash equivalents available to it. The Directors have considered their obligation, in relation to the assessment of the going concern of the Group and each statutory entity within it and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Group.

After due enquiry, the Directors consider that the Group 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.

Voting rights

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person and entitled to vote, and every proxy duly appointed by a member entitled to vote, has one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every ordinary share held. Further details regarding voting at the Annual General Meeting can be found in the Notice of Annual General Meeting at the back of this document. None of the ordinary shares carry any special rights with regard to control of the Company. Electronic and paper proxy appointments and voting

instructions must be received by the Company's registrars not later than 48 hours before a general meeting.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Reporting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group 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 estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the consolidated financial statements;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and the Group 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 in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint Nexia Smith & Williamson will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

The directors at the date of approval of this Annual Report individually confirm that:

- So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Company Name and Registration Number

The registered number of Quoram Plc is 03606195.

On behalf of the Board

James Ede-Golightly

Chairman

24 September 2014

INDEPENDENT AUDITOR'S REPORT

to the Members of Quoram Plc for the year ended 30 June 2014

We have audited the consolidated financial statements of Quoram Plc for the year ended 30 June 2014 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2014 and of its loss for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

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

- 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.

Other matter

We have reported separately on the parent company financial statements of Quoram Plc for the year ended 30 June 2014.

Carl Deane

Senior Statutory Auditor,
for and on behalf of

Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

24 September 2014

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2014

	Notes	2014 £'000	2013 £'000
Continuing operations:			
Portfolio investment return		(55)	29
Impairment of available-for-sale investments		(306)	(154)
Other income		181	22
Gross profit		(180)	(103)
Administrative expenses		(517)	(852)
Exceptional administrative expenses	3	–	(1,032)
Total administrative expenses		(517)	(1,884)
Operating loss		(697)	(1,987)
Finance income	5	9	4
Loss before taxation		(688)	(1,983)
Taxation	6	–	–
Loss for the financial year		(688)	(1,983)
Loss per share			
Basic/diluted loss for the year (pence)	7	(0.07)	(0.31)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	2014 £'000	2013 £'000
Loss for the financial year		(688)	(1,983)
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
Fair value gains/(losses) arising during the year		-	(1,930)
Tax movement on gain on available-for-sale financial assets		-	451
Foreign exchange (losses)/gains on consolidation		(7)	24
Other comprehensive income for the financial year net of tax		(7)	(1,455)
Total comprehensive income for the financial year		(695)	(3,438)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Notes	2014 £'000	2013 £'000
Assets			
Non-current assets			
Available-for-sale financial assets	11	167	473
Portfolio investments	8	633	688
Total portfolio investment assets held		800	1,161
Property, plant and equipment	9	–	–
Intangible assets	10	–	–
		800	1,161
Current assets			
Trade and other receivables	12	18	111
Cash and cash equivalents	13	1,734	1,991
		1,752	2,102
Total assets		2,552	3,263
Current liabilities			
Trade and other payables	14	(32)	(48)
Total liabilities		(32)	(48)
Net assets		2,520	3,215
Capital and reserves attributable to the Company's equity shareholders:			
Share capital	15	2,420	2,420
Share premium account		3,813	3,813
Foreign exchange translation reserve		1,108	1,115
Retained earnings		(5,695)	(5,007)
Share-based payment reserve		874	874
Total equity		2,520	3,215

The financial statements were approved by the Board of Directors on 24 September 2014 and were signed on its behalf by:

James Ede-Golightly
Chairman

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Share capital £'000	Share premium account £'000	Foreign exchange translation reserve £'000	Retained earnings £'000	Share-based payment reserve £'000	Total £'000
Balance at 1 July 2012	1,245	3,123	1,091	(1,545)	539	4,453
Loss for the financial period	–	–	–	(1,983)	–	(1,983)
Other comprehensive income:						
Fair value loss on available-for-sale financial assets	–	–	–	(1,930)	–	(1,930)
Tax on loss on available-for-sale investments	–	–	–	451	–	451
Foreign exchange losses on consolidation	–	–	24	–	–	24
Total comprehensive income	–	–	24	(3,462)	–	(3,438)
Share-based payments	–	–	–	–	335	335
Issue of share capital	1,175	705	–	–	–	1,880
Issue costs	–	(15)	–	–	–	(15)
Balance at 30 June 2013	2,420	3,813	1,115	(5,007)	874	3,215
Balance at 1 July 2013	2,420	3,813	1,115	(5,007)	874	3,215
Loss for the financial period	–	–	–	(688)	–	(688)
Other comprehensive income:						
Foreign exchange losses on consolidation	–	–	(7)	–	–	(7)
Total comprehensive income	–	–	(7)	(688)	–	(695)
Balance at 30 June 2014	2,420	3,813	1,108	(5,695)	874	2,520

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	Notes	2014 £'000	2013 £'000
Cash flow from operating activities			
Loss for the financial year		(688)	(1,983)
Finance income	5	(9)	(4)
Unrealised loss/(gain) on revaluation of portfolio investments	8	55	(29)
Share-based payment		–	335
Loss on disposal of business		–	47
Impairment of available-for-sale investments	11	306	154
Impairment of intangible assets	10	–	529
Impairment of land assets	9	–	503
		(336)	(448)
Changes in working capital			
Purchase of portfolio investments		–	(659)
Decrease/(increase) in trade and other receivables		93	(49)
Decrease in trade and other payables		(16)	(23)
Net cash outflow from operating activities		(259)	(1,179)
Cash flow from investing activities			
Proceeds from disposal of business		–	17
Interest received	5	9	4
Net cash generated from investing activities		9	21
Cash flow from financing activities			
Proceeds on issue of new shares		–	1,880
Expenses of new share issue		–	(15)
Net cash generated from financing activities		–	1,865
Net increase/(decrease) in cash and cash equivalents		(250)	707
Cash and cash equivalents at beginning of financial year		1,991	1,279
Effects of exchange rate changes		(7)	5
Cash and cash equivalents at end of financial year		1,734	1,991

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Principal Accounting Policies

Basis of Preparation

The annual consolidated financial statements of Quoram Plc ("the Group") have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006.

IFRSs is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2014.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Portfolio Investments and available-for-sale investments which are carried at fair value. The principal accounting policies set out below have been consistently applied to all periods presented.

Basis of Consolidation

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

These financial statements consolidate the results and Balance Sheet of the Company and its wholly owned subsidiaries using the acquisition method of accounting.

Intra-Group transactions and balances with subsidiaries are eliminated on consolidation.

Revenue

Revenue 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 Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that the future economic benefits will flow into the Group.

(i) Business portfolio return

Business portfolio 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 investments 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.

Other income

Fees for advisory work are recognised in profit and loss when the related services are performed.

Finance Income

Interest is recognised using the effective interest method.

Exceptional Items

Exceptional items are events or transactions which, by virtue of their size or nature, have been disclosed in order to improve a reader's understanding of the Financial Statements.

Portfolio Investment Assets

Portfolio investments – held by the Group with a long-term view to the ultimate realisation of capital gains are classified as portfolio investments 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.

Available-for-sale investments – held by the Group with a long-term view to the ultimate realisation of capital gains are classified as available-for-sale investments and are stated at the Directors' estimate of their fair value on the basis set out below. Available-for-sale investments are initially recognised at fair value and are measured at subsequent reporting dates at fair value; the gains and losses arising from changes in fair value are included in other comprehensive income. On disposal the cumulative gain or loss previously recognised in other comprehensive income is included in the Consolidated Income Statement for the period. If an available-for-sale investment is determined to be impaired, the amount of cumulative loss previously recognised in other comprehensive income is included in the Consolidated Income Statement for the period.

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Financial Instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Available for sale assets - Investments that are classified as 'available for sale' are initially recognised at fair value and are measured at subsequent reporting dates at fair value; the gains and losses arising from changes in fair value are included in other comprehensive income. On disposal the cumulative gain or loss previously recognised in other comprehensive income is included in the Consolidated Income Statement for the period. If an available-for-sale investment is determined to be impaired, the cumulative loss previously recognised in other comprehensive income is included in the Consolidated Income Statement for the period.

Portfolio 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.

Foreign Currency

The presentational currency for the Group's consolidated financial statements is Sterling and it is this currency in which the Group reports. Foreign currency transactions by Group companies are recorded in their functional currencies at the exchange rate at the date of the transaction. Monetary assets and liabilities have been translated at rates in effect at the balance sheet date, with any exchange adjustments being charged or credited to the Income Statement.

The Parent Company's functional currency is Sterling. On consolidation the assets and liabilities of the Parent's subsidiary companies are translated into the Group's presentational currency at the exchange rate at the balance sheet date and the income and expenditure account items are translated at the average rate for the period. The exchange difference arising on the translation from functional currency to presentational currency of the Parent Company is classified as other comprehensive income and is accumulated within equity as a translation reserve.

For the purpose of foreign currency translation, the net investment in a subsidiary is determined inclusive of foreign currency intercompany balances for which settlement is neither planned nor likely to occur in the foreseeable future. The balance of the foreign currency translation reserve relating to a subsidiary that is disposed of, or partially disposed of, is recognised in the Income Statement at the time of disposal.

Share-Based Payments

Where share options have been granted to directors, employees and suppliers, IFRS 2 has been applied, whereby the fair value of the options is measured at the grant date and spread over the period during which the employees become entitled to the options. An options valuation model is used to assess the fair value, taking into account the terms and conditions attached to the options. The fair value of goods and services received are measured by reference to the fair value of options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited before it was vested, the cumulative charge expensed up to the date of forfeiture is credited to the Income Statement.

Share warrants have been issued by the Company.

IFRS 2 has been applied whereby the fair value of the warrants is measured at the grant date. A Black Scholes valuation model is used to assess the fair value, taking into account the terms and conditions attached to the warrants. The costs recorded are measured by reference to the fair value of warrants.

The cost of share warrants is recognised, together with a corresponding increase in equity, immediately on issue as warrants vest immediately.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated on a straight-line basis as follows:

Plant and equipment	5%
Leasehold land	10%

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset's estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves of the mine property at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis with annual reassessments for major items.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Income Statement.

As at 30 June 2014, the Group's property, plant and equipment assets are written down to nil.

Intangible Assets

Expenditure on former exploration was capitalised under a successful efforts policy for oil and gas assets and in relation to the acquisition of royalty interests. As at 30 June 2014 all such costs have been fully impaired.

Impairment of Assets Other than Intangible Assets with an Indefinite Life

At each balance sheet date, the directors review the carrying amounts of the Group's tangible and intangible assets, other than intangible assets with an indefinite life, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

The carrying value of property, plant and equipment and intangible assets at 30 June 2014 is £nil (2013: £nil).

Current Taxation

Current tax for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred Taxation

Deferred taxation is calculated 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. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Employment Benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non-monetary benefit and annual leave obliged to be settled within 12 months of the balance sheet date, are recognised in accruals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Equity

Equity comprises the following:

- “Share capital” represents amounts subscribed for shares at nominal value.
- “Share premium” represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- “Foreign exchange translation reserve” represents the exchange differences arising from the translation of the financial statements of the subsidiary companies into the Group’s presentational currency and the translation at the closing rate of the net investment in the subsidiaries.
- “Retained earnings” represents the accumulated profits and losses attributable to equity shareholders.
- “Share-based payment reserve” represents the accumulated amounts credited to equity in respect of options to acquire ordinary shares in the Company.

Adoption of new accounting standards

Standards, amendments and interpretations effective up to 30 June 2014

“IFRS 13, Fair value measurement” has been adopted in the year but has only had a presentation and disclosure impact on these financial statements.

Other than this, there have only been minor improvements to existing International Financial Reporting Standards and interpretations that are effective for the first time in the current financial year that have been adopted by the Group. These have had no impact on its consolidated results or financial position.

Standards, amendments and interpretations that are expected to be effective for periods beginning on or after 1 July 2014 for standards, amendments subject to EU endorsement include the following:

- IFRS 10, Consolidated financial statements (effective for periods beginning on or after 1 January 2014)
- IFRS 12, Disclosure of interests in other entities (effective for periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27, Investment entities (effective for periods beginning on or after 1 January 2014)
- IFRS 15, Revenue from contracts with customers (effective for periods beginning on or after 1 January 2017, subject to EU endorsement)
- IFRS 9, Financial Instruments (effective for periods beginning on or after 1 January 2018, subject to EU endorsement)

The Directors are currently assessing the impact of these on the Group’s results, assets and liabilities. The Directors do not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Carrying value of portfolio investment assets

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 investments are carried in the financial statements as at 30 June 2014 at a valuation of £800,000 (2013: £1,161,000). For further detail see notes 8, 11 and 17.

Impairment of Property, Plant and Equipment and Intangible Assets

Management reviews property, plant and equipment at each balance sheet date to determine whether there are any indications of impairment. If any such indication exists, an estimate of the recoverable amount is performed, and an impairment loss is recognised to the extent that the carrying amount exceeds recoverable amount. Impairment charges of £nil have been recognised in the year ended 30 June 2014 (2013: £1,032k).

Share-based payments

In determining the fair value of equity settled share based payments and the related charge to the Income Statement, the Company makes assumptions about future events and market conditions; in particular, judgement must be made as to the likely number of shares that will vest, and the fair value of each award granted. The fair value is determined using a valuation model which is dependent on further estimates, including the Company's future dividend policy, the timing with which options will be exercised and the future volatility in the price of the Company's shares.

Different assumptions about these factors to those made by the Company could materially affect the reported value of share-based payments.

2 Segmental Reporting

Quoram's operating segments 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 Group has only one reportable segment, being Portfolio Investment return.

The Board assesses the performance of the operating segment based on financial information which is measured and presented in a manner consistent with that in the financial statements.

3 Operating Loss

	2014	2013
	£'000	£'000
Operating loss is stated after charging:		
Fees payable to the Company's auditor for the audit of the annual statements	14	17
Fees payable to the Company's auditor and its associates for other services:		
Tax compliance services	3	4
Tax advisory services	–	3
Audit related assurance services	–	5
Equity settled share-based payments	–	335
Exceptional administrative expenses:		
Impairment of intangible assets	–	529
Impairment of land assets	–	503
Total exceptional administrative expenses	–	1,032

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Directors and Employees

	2014 £'000	2013 £'000
Staff costs		
Wages and salaries	285	183
Social security costs	26	14
	311	197
Equity settled share-based payments*	–	335
	311	532

* The charge for the year ended 30 June 2013 includes accelerated charges to reflect the cost of share options for directors who left the Group in the year.

The average number of employees employed by the Group were:

	2014	2013
Average number of employees	5	4

	2014 £'000	2013 £'000
Compensation of key management was as follows:		
Short term benefits	97	86
Share-based payments	–	335
	97	421
Social security costs	8	4
	105	425

	2014 £'000	2013 £'000
Highest paid director:		
Aggregate emoluments and benefits	55	34

Key management consists of the directors. Details of each director's remuneration and their share options are included in the Report of the Directors.

5 Finance Income

	2014 £'000	2013 £'000
Bank interest received	9	4

6 Taxation

There was no current tax charge for the year ended 30 June 2014 (2013: £nil).

	2014	2013
	£'000	£'000
Reconciliation of the effective tax charge		
Loss before taxation	(699)	(1,983)
Loss before tax multiplied by standard rate of corporation tax in the UK of 20.0% (2013: 23.8%)	(140)	(471)
Tax effects of:		
Other expenses not deductible for tax purposes	72	–
Tax losses not utilised within the year	68	471
Tax expense and effective tax rate	–	–

The amount of unutilised tax losses are as follows:

	2014	2013
	£'000	£'000
Unutilised tax losses UK	1,314	987
Unutilised tax losses US	11,020	12,386
Total	12,334	13,373

A deferred tax asset in respect of trading losses has not been recognised due to the uncertainty over timing of future profits. The trading losses are recoverable against suitable future trading profits in each jurisdiction.

Deferred tax liabilities arising as a result of the movement in fair value of available-for-sale financial assets are recognised in the balance sheet as follows:

	2014	2013
	£'000	£'000
Deferred tax liabilities		
At 1 July	–	452
Deferred tax (credit)/charge recognised in equity during the period	–	(452)
At 30 June	–	–

7 Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Given the Group's reported loss for the year share options are not taken into account when determining the weighted average number of ordinary shares in issue during the year and therefore the basic and diluted earnings per share are the same.

	2014	2013
	p	p
Basic loss per share		
Loss per share from continuing operations	(0.07)	(0.31)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The losses and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2014	2013
	£'000	£'000
Loss used in the calculation of total basic and diluted earnings per share	(688)	(1,983)

	2014	2013
Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	968,196,408	635,977,230

The company has issued options over 14,675,215 ordinary shares which are potentially dilutive. There is however, no dilutive effect of these issued options as there is a loss for each of the periods concerned.

8 Portfolio Investment

	Quoted equity shares
	£'000
Fair value at 30 June 2011 and 2012	–
Additions	659
Unrealised gain on revaluation	29
Fair value at 30 June 2013	688
Unrealised gain on revaluation	(55)
Fair value at 30 June 2014	633

All portfolio investments are held by Quoram Plc.

9 Property, plant and equipment

	Leasehold	Plant and	Total
	land	equipment	Total
	£'000	£'000	£'000
Cost			
At 1 July 2012	4,197	1,105	5,302
Effects of foreign exchange	9	–	9
At 1 July 2013	4,206	1,105	5,311
At 1 July 2014	4,206	1,105	5,311
Accumulated depreciation and impairment			
At 1 July 2012	3,703	1,105	4,808
Impairment	503	–	503
At 30 June 2013	4,206	1,105	5,311
At 30 June 2014	4,206	1,105	5,311
Net book value			
At 30 June 2014	–	–	–
At 30 June 2013	–	–	–

10 Intangible assets

	Exploration costs £'000	Royalty interests £'000	Total £'000
Cost			
At 30 June 2012	5,538	64	5,602
Effects of foreign exchange	9	1	10
Disposals	–	(65)	(65)
At 30 June 2013	5,547	–	5,547
At 30 June 2014	5,547	–	5,547
Amortisation and impairment			
At 30 June 2012	5,018	–	5,018
Impairment	529	–	529
At 30 June 2013	5,547	–	5,547
At 30 June 2014	5,547	–	5,547
Net book value			
At 30 June 2014	–	–	–
At 30 June 2013	–	–	–

11 Available-for-sale financial assets

	Quoted equity shares £'000
Fair value at 30 June 2012	2,557
Unrealised loss on revaluation	(2,084)
Fair value at 30 June 2013	473
Unrealised loss on revaluation	(306)
Fair value at 30 June 2014	167

The available-for-sale financial assets consist of listed investments and the fair value is based on bid quoted market prices at the balance sheet date. During the year, the group incurred a fair value loss through equity of £nil (2013: £1,930k) and an impairment charge of £306k (2013: £154k) recognised in the income statement.

12 Trade and other receivables

	2014 £'000	2013 £'000
Trade and Other Receivables		
Trade receivables	15	57
Other receivables	2	46
Prepayments and accrued income	1	8
	18	111

The directors consider the carrying value of trade and other receivables are approximate to their fair value.

All of the Group's receivables have been reviewed for indications of impairment. None of the receivables were found to be impaired as at 30 June 2014 (2013: £nil).

No unimpaired receivables are past due as at the reporting date (2013: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Cash and cash equivalents

	2014	2013
	£'000	£'000
Cash and Cash Equivalents		
Cash at bank (GBP)	1,697	1,946
Cash at bank (USD)	37	45
	1,734	1,991

14 Trade and other payables

	2014	2013
	£'000	£'000
Trade and Other Payables		
Trade payables	1	1
Other payables	7	20
Accruals	24	27
	32	48

15 Share Capital

	2014	2013
	£'000	£'000
(a) Share Capital		
Issued and fully paid up 968,196,408 (2013: 968,196,408) shares of 0.25 pence	2,420	2,420

During the year ended 30 June 2013 the Company issued a total of 470,000,000 ordinary shares for a premium net of issue costs of £690k.

Date	Price per share (Sterling)	Number of shares issued	Total consideration received (£)
15-Mar-13	0.4p	470,000,000	1,880,000

(b) Share based payments – options and warrants

The Company has a share option scheme for all directors and senior management. Options are exercisable at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is one, two and three years – one third of the options vesting in each period. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before the options vest.

Share warrants were issued on 4 February 2011 which were exercisable immediately. None of these warrants were exercised and they expired on 4 February 2013.

The issue of warrants constituted a transaction with parties other than employees for which the fair value of services received cannot be reliably estimated, as they were granted on a 1 for 8 basis to shareholders as part of an open offer and placing that took place in February 2011, and therefore the services received have been measured by reference to the fair value of the warrants granted, measured at the date of the placing.

Details of the number of share options and warrants and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	Number of options	WAEP £	Number of warrants	WAEP £
2014				
Outstanding at the beginning of the year	20,075,215	0.04	–	–
Expired during the year	(4,400,000)	(0.05)	–	–
Forfeited during the year	(1,000,000)	(0.05)	–	–
Outstanding at the year end	14,675,215	0.04	–	–
Number exercisable at 30 June 2014	14,341,882	0.04	–	–
2013				
Outstanding at the beginning of the year	25,000,000	0.04	3,750,000	0.12
Expired during the year	–	–	(3,750,000)	(0.12)
Forfeited during the year	(4,924,785)	(0.04)	–	–
Outstanding at the year end	20,075,215	0.04	–	–
Number exercisable at 30 June 2013	19,741,882	0.04	–	–

The fair values of share options issued in the financial years 30 June 2007 and 30 June 2008 were calculated using the binomial pricing model. The inputs into the model are as follows:

Date of grant	5 May '07	20 Feb '08
Number granted	3,200,000	7,000,000
Share price at date of grant	0.25p	4p
Exercise price	1p	4p
Expected volatility	51%	51%
Expected life	3 years	3 years
Risk free rate	5.00%	4.70%
Expected dividend yield	0%	0%
Fair value of options granted at date of grant	0.08p	2.20p
Exit rate	0%	0%
Earliest vesting date	05-May-10	20-Feb-11
Expiry date	05-May-17	20-Feb-18

Expected volatility was determined based on the historic volatility of four comparator companies as suggested by management. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The fair values of share options and warrants issued in the financial year ended 30 June 2011 were calculated using the Black Scholes model. The inputs into the model are as follows:

Date of grant	4 Feb '11	19 May '11	19 May '11
Number granted	3,750,000	11,500,000	4,800,000
Share price at date of grant	5.0p	5.0p	5.0p
Exercise price	12p	5.0p	5.0p
Expected volatility	85%	85%	85%
Expected life	1 year	5.5, 6 and 6.5 years	5.5, 6 and 6.5 years
Risk free rate	2.80%	2.34%	2.34%
Expected dividend yield	0%	0%	0%
Fair value at date of grant	0.51p	3.61p	3.61p
Earliest vesting date	04-Feb-11	19-May-12	19-May-12
Expiry date	04-Feb-13	19-May-21	19-May-21

For May 2011 options, these vest 33.3% after 1 year, 33.3% after 2 years and 33.3% after 3 years.

Expected volatility was determined based on the historic volatility of comparable companies. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of £nil (2013: £335,000) related to equity-settled share-based payment transactions during the year.

16 Financial Instruments

Classification of financial instruments

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

	Available- for-sale £'000	Loans and other receivables £'000	Financial assets at fair value through profit and loss £'000	Financial liabilities at amortised cost £'000	Total carrying value £'000
At 30 June 2014					
Portfolio investments	–	–	633	–	633
Available for sale financial assets	167	–	–	–	167
Trade and other receivables	–	18	–	–	18
Cash and cash equivalents	–	1,734	–	–	1,734
Trade and other payables	–	–	–	(32)	(32)
	167	1,752	633	(32)	2,520

	Available- for-sale £'000	Loans and other receivables £'000	Financial assets at fair value through profit and loss £'000	Financial liabilities at amortised cost £'000	Total carrying value £'000
At 30 June 2013					
Portfolio investments	–	–	688	–	688
Available for sale financial assets	473	–	–	–	473
Trade and other receivables	–	111	–	–	111
Cash and cash equivalents	–	1,991	–	–	1,991
Trade and other payables	–	–	–	(48)	(48)
	473	2,102	688	(48)	3,215

Loans and other receivables and financial liabilities' at amortised cost carrying values approximate to their fair values, as at 30 June 2014 and 2013, given their nature and short times to maturity.

Under IFRS 7 Financial Instruments: Disclosures, Portfolio investments and the available-for-sale assets are classified under the fair value hierarchy as level 1.

17 Financial Instrument Risk Exposure and Management

The principal financial risks to which the Group is exposed are: interest rate risk; liquidity risk, equity price risk; credit risk and (in the prior year) foreign currency exchange rate risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

There have been no substantive changes to the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous year.

Liquidity risk

Liquidity risk is dealt with in note 18 of these financial statements.

Credit risk

The Group's credit risk is primarily attributable to its cash balances, portfolio investments and available-for-sale financial assets.

The credit risk on liquid funds is limited because the third parties are large international banks with strong credit ratings.

The Group's total credit risk amounts to the total of the sum of the receivables, portfolio investments, available-for-sale financial assets and cash and cash equivalents. At the year end this amounts to £2,258,000 (2013: £3,263,000)

Interest rate risk and sensitivity analysis

The Group's only exposure to interest rate risk is the interest received on the cash held on deposit.

The Group does not have any interest bearing borrowings.

The following table indicates the impact of a change in interest rate on the interest received during the year, and with all other variables being held constant, on the Group's loss before tax.

	Change in interest rate	2014 £'000	Change in interest rate	2013 £'000
Sterling	0.50%	8.50	0.50%	9.70
	1.00%	17.00	1.00%	19.50
	1.50%	2.54	1.50%	2.92
Dollars	0.50%	0.20	0.50%	0.20
	1.00%	0.40	1.00%	0.50
	1.50%	0.60	1.50%	0.70

Market risk and sensitivity analysis

Market risk arises when the fair value or cash flows of a financial instrument fluctuates from the level where a long or short position was established. These financial instruments are subject to equity price risk.

Equity price risk

The Group's portfolio investments and its available-for-sale financial assets are subject to equity price risk. For financial instruments held, the Group uses a sensitivity analysis technique that measures the changes in fair value of the Group's financial instruments to hypothetical changes in market price.

A 5% increase/(decrease) in the market value of positions held at 30 June 2014 would increase/(decrease) the value of the Portfolio Investment assets by £25k (2013: £58K).

Foreign exchange risk

The Group no longer has a material exposure to foreign exchange risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 Liquidity risk

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The table below shows the undiscounted cash flows on the Group's financial liabilities as at 30 June 2014 on the basis of their earliest possible contractual maturity.

	Total	Within	Within
	£'000	2 months	2-6 months
		£'000	£'000
At 30 June 2014			
Trade payables	1	1	–
Other payables	7	7	–
Accruals	24	–	24
	32	8	24
At 30 June 2013			
Trade payables	1	1	–
Other payables	20	20	–
Accruals	27	–	27
	48	21	27

19 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group defines capital as being share capital plus reserves as disclosed in the consolidated balance sheet.

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary, by issuing new shares.

The Group is not subject to any externally imposed capital requirements.

20 Financial Commitments

The Group had no capital commitments at 30 June 2014 (2013: £nil).

21 Related Party Transactions

Related party transactions during the year with the directors and key management were as follows.

Directors' remuneration:	Short-term benefits	
	2014	2013
	£'000	£'000
Mr A Yeo	n/a	34
Mr J Ede-Golightly	25	25
Mr F Dekker	n/a	5
Mr B Marshall	5	13
Mr G Hall	12	9
Mr C Hill	55	–
	97	86
Social security costs	8	8
Total	105	94

In addition to the remuneration shown above, the Group incurred share-based payment charges of £nil (2013: £335k) in respect of the above named directors and key management.

During the year ended 30 June 2014, consultancy fees of £144k (2013: £40k) were invoiced in respect of ORA Capital Partners Ltd which was a substantial shareholder in Quoram Plc.

22 Investment in subsidiaries

The Group's Parent Company holds the issued share capital of the following subsidiary undertakings, which are incorporated in the USA and have been included in these consolidated financial statements.

Company	Principal activities	Class	Percentage holding
Osceola Royalties LLC	Oil and gas development	Ordinary	100%
Osceola Production LLC	Oil and gas development	Ordinary	(indirectly) 100%

23 Contingent Liabilities

The directors are not aware of any contingent liabilities within the Group or the Company at 30 June 2014.

24 Ultimate Controlling Party

As at 30 June 2014, Quoram Plc had no ultimate controlling party.

25 Events after the Balance Sheet date

There were no significant events after the balance sheet date.

PARENT COMPANY INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Quoram Plc for the year ended 30 June 2014

We have audited the Parent Company financial statements of Quoram Plc ('the Company') for the year ended 30 June 2014 which comprise the Parent Company Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

Opinion on Financial Statements

In our opinion the Parent Company financial statements:

- give a true and fair view of the state of the Parent Company's affairs as at 30 June 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors and Strategic Report for the financial year for which the Parent Company financial statements are prepared is consistent with the Parent Company financial statements.

Matters on Which we are Required to Report by Exception

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

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

Other Matter

We have reported separately on the consolidated financial statements of Quoram Plc for the year ended 30 June 2014.

Carl Deane

Senior Statutory Auditor,
for and on behalf of

Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

24 September 2014

PARENT COMPANY BALANCE SHEET

as at 30 June 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	2	800	1,161
Investment in subsidiaries	2	31	38
		831	1,199
Current assets			
Debtors	3	18	110
Cash at bank		1,696	1,947
		1,714	2,057
Creditors: amounts falling due within one year	4	(25)	(41)
Net current assets		1,689	2,016
Net assets		2,520	3,215
Capital and reserves			
Called up share capital	5	2,420	2,420
Share premium account	6	3,813	3,813
Share-based payment reserve	6	874	874
Profit and loss account	6	(4,587)	(3,892)
Shareholders' funds	7	2,520	3,215

The financial statements were approved by the Board of Directors on 24 September 2014 and were signed on its behalf by:

James Ede-Golightly
Chairman

Company number 03606195

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 June 2014

1 Accounting Policies

Basis of Preparation

The annual financial statements of Quoram Plc have been prepared in accordance with UK Generally Accepted Accounting Practices ('UK GAAP'). The principal accounting policies set out below have been consistently applied to all periods presented.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of portfolio investments and available-for-sale investments which are carried at fair value.

As permitted by section 408 of Companies Act 2006, a separate Profit and Loss Account for the Company has not been included in these financial statements. The Company's loss for the year ended 30 June 2014 was £695,000 (2013: £2,010,000).

As permitted by FRS 1 Cash flow statements, no cash flow statement for the Company has been included.

As permitted by FRS 8 Related party disclosures, no related party disclosures for the Company have been included, in respect of transactions with its 100% owned subsidiaries.

As permitted by FRS 29, financial instruments disclosures in accordance with that standard have not been included as this information for the Company is included within the consolidated financial statements.

Financial Instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest is credited to the Profit and Loss Account in the period to which it relates.

Investments in subsidiaries

Investments in subsidiaries are included at cost less amounts written off for impairment.

Portfolio Investments

Portfolio Investment assets that are held by the Group 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 ("IPEVCG") 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.

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

Available for sale financial assets

Listed investments acquired before 2013 are classified as 'available-for-sale'. They are initially recognised at fair value and are measured at subsequent reporting dates at fair value; the gains and losses arising from changes in fair value are included directly in equity.

On disposal the cumulative gain or loss previously recognised in equity is included in the profit and loss account for the period. If an available-for-sale investment is determined to be impaired, the cumulative loss previously recognised in equity is included in the profit and loss account for the period.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the Profit and Loss Account.

Share-Based Payments

Where share options have been granted to directors and employees, FRS 20 has been applied, whereby the fair value of the options is measured at the grant date and spread over the period during which the employees become entitled to the options. An options valuation model is used to assess the fair value, taking into account the terms and conditions attached to the options. The fair value of goods and services received are measured by reference to the fair value of options.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Share warrants have been issued by the Company.

FRS 20 has been applied whereby the fair value of the warrants is measured at the grant date. A Black Scholes valuation model is used to assess the fair value, taking into account the terms and conditions attached to the warrants. The costs recorded are measured by reference to the fair value of warrants.

The cost of share warrants is recognised, together with a corresponding increase in equity, immediately on issue as warrants vest immediately.

All warrants have expired as at 30 June 2014.

2 Investments

	Quoted equity shares
	£'000
(i) Portfolio Investments	
Fair value at 30 June 2012	–
Additions	659
Unrealised profit on revaluation	29
Fair value at 30 June 2013	688
Unrealised loss on revaluation	(55)
Fair value at 30 June 2014	633

(ii) Available for sale financial assets

Following the adoption of FRS 26, the available-for-sale financial assets consist of listed investments and the fair value is based on bid quoted market prices at the balance sheet date.

The following table shows the aggregate movement in the Company's available-for-sale financial assets during the current and prior years.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

	2014	2013
	£'000	£'000
Available-for-sale financial assets		
At beginning of the year	473	2,509
Revaluation through equity	–	(1,882)
Impairment through profit and loss	(306)	(154)
At end of the year	167	473

Long term loans to Subsidiaries

Cost	£'000
At 30 June 2012	1,253
Impairment	(1,215)
At 30 June 2013	38
Impairment	(7)
At 30 June 2014	31

The Company holds the issued share capital of the following subsidiary undertakings, which are incorporated in the USA.

The book value of investments in subsidiaries as at 30 June 2013 and 2014 was £nil.

Company	Principal activities	Class	Percentage held
Osceola Royalties LLC	Oil and gas development	Ordinary	100%
Osceola Production LLC	Oil and gas development	Ordinary (indirectly)	100%

3 Debtors

	2014	2013
	£'000	£'000
Debtors		
Trade debtors	15	57
Other debtors	2	45
Prepayments	1	8
	18	110

4 Creditors – amounts falling due within one year

	2014	2013
	£'000	£'000
Creditors: Amounts Falling Due Within One Year		
Trade creditors	–	1
Other creditors	7	20
Accruals	18	20
	25	41

5 Share capital

(a) Share Capital

	2014	2013
	£'000	£'000
Issued and fully paid up		
968,196,408 (2013: 968,196,408) shares of 0.25 pence	2,420	2,420

During the year ended 30 June 2013 the Company issued a total of 470,000,000 ordinary shares for a premium net of issue costs of £693,750.

Date	Price per share (Sterling)	Number of shares issued	Total consideration received (£)
15 March 2013	0.4p	470,000,000	1,880,000

(b) Share based payments – options and warrants

The Company has a share option scheme for all directors and senior management. Options are exercisable at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is one, two and three years – one third of the options vesting in each period. The options are settled in equity once exercised.

The Company has also issued share warrants in the year ended 30 June 2011.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before the options vest.

If the warrants remain unexercised after a period of 2 years from the date of grant, the warrants expire. The warrants expired on 4 February 2013.

The issue of warrants constituted a transaction with parties other than employees for which the fair value of services received cannot be reliably estimated, as they were granted on a 1 for 8 basis to shareholders as part of an open offer and placing that took place in February 2011, and therefore the services received have been measured by reference to the fair value of the warrants granted, measured at the date of the placing.

Details of the number of share options and warrants and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	Number of options	WAEP £	Number of warrants	WAEP £
2014				
Outstanding at the beginning of the year	20,075,215	0.04	–	–
Expired during the year	(4,400,000)	(0.05)	–	–
Forfeited during the year	(1,000,000)	(0.05)	–	–
Outstanding at the year end	14,675,215	0.04	–	–
Number exercisable at 30 June 2014	14,341,882	0.04	–	–
2013				
Outstanding at the beginning of the year	25,000,000	0.04	3,750,000	0.12
Expired during the year	–	–	(3,750,000)	(0.12)
Forfeited during the year	(4,924,785)	(0.04)	–	–
Outstanding at the year end	20,075,215	0.04	–	–
Number exercisable at 30 June 2013	19,741,882	0.04	–	–

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

The fair values of share options issued in previous financial years were calculated using the binomial pricing model. The inputs into the model are as follows:

Date of grant	5 May 2007	20 Feb 2008
Number granted	3,200,000	7,000,000
Share price at date of grant	0.25p	4p
Exercise price	1p	4p
Expected volatility	51%	51%
Expected life	3 years	3 years
Risk free rate	5.00%	4.70%
Expected dividend yield	0%	0%
Fair value of options granted at date of grant	0.08p	2.20p
Exit rate	0%	0%
Earliest vesting date	05-May-10	20-Feb-11
Expiry date	05-May-17	20-Feb-18

Expected volatility was determined based on the historic volatility of four comparator companies as suggested by management. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair values of share options and warrants issued in the current financial year were calculated using the Black Scholes model. The inputs into the model are as follows:

Date of grant	4 Feb 2011	19 May 2011	19 May 2011
Number granted	3,750,000	11,500,000	4,800,000
Share price at date of grant	5.0p	5.0p	5.0p
Exercise price	12p	5.0p	5.0p
Expected volatility	85%	85%	85%
Expected life	1 year	5.5, 6 and 6.5 years	5.5, 6 and 6.5 years
Risk free rate	2.80%	2.34%	2.34%
Expected dividend yield	0%	0%	0%
Fair value at date of grant	0.51p	3.61p	3.61p
Earliest vesting date	04-Feb-11	19-May-12	19-May-12
Expiry date	04-Feb-13	19-May-21	19-May-21

For May 2011 options, these vest 33.3% after 1 year, 33.3% after 2 years and 33.3% after 3 years.

Expected volatility was determined based on the historic volatility of comparable companies. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Company recognised total expenses of £nil (2013: £335,000) related to equity-settled share-based payment transactions during the year.

6 Reserves

	Share premium £'000	Profit and loss account £'000	Share-based payment reserve £'000	Total £'000
As at 30 June 2013	3,813	(3,892)	874	795
Loss for the financial year	–	(695)	–	(695)
At 30 June 2014	3,813	(4,587)	874	100

7 Reconciliation of Movement in Shareholders' Funds

Reconciliation of Movement in Shareholders' Funds	2014 £'000	2013 £'000
Loss for the financial year	(695)	(2,010)
Fair value (loss)/gain on available-for-sale financial assets	–	(1,882)
Issue of shares	–	1,880
Issue costs	–	(15)
Share-based payments	–	335
Net decrease in shareholders' funds	(695)	(1,692)
Shareholders' funds at 1 July	3,215	4,907
Shareholders' funds at 30 June	2,520	3,215

8 Related Party Transactions

Directors' remuneration:	Short-term benefits 2014 £'000	2013 £'000
Mr A Yeo	n/a	34
Mr J Ede-Golightly	25	25
Mr F Dekker	n/a	5
Mr B Marshall	5	13
Mr G Hall	12	9
Mr C Hill	55	–
	97	86
Social security costs	8	8
Total	105	94

In addition to the remuneration shown above, the Company incurred share-based payment charges of £nil (2013: £335,000) in respect of the above named directors and key management.

During the year ended 30 June 2014, consultancy fees of £144k (2013: £40k) were invoiced in respect of ORA Capital Partners Ltd which was a substantial shareholder in Quoram Plc.

9 Events After the Balance Sheet Date

There were no significant events after the balance sheet date.

NOTICE OF 2014 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of Quoram Plc will be held at the offices of WH Ireland Limited, 24 Martin Lane, London, EC4R 0DR on 5 November 2014 at 2.00 p.m. to transact the following business.

To consider and, if thought fit, to pass the following resolutions, numbers 1-3 (inclusive) of which will be proposed as ordinary resolutions and numbers 4-6 (inclusive) will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Report, the Audited Statement of Accounts and Auditors' Report for the year ended 30 June 2014.
2. To re-elect Gordon Hall as a director of the company, who stands for re-election pursuant to the Articles of Association of the Company.
3. To re-appoint Nexia Smith & Williamson as auditors of the Company and to authorise the Directors to determine their remuneration.

SPECIAL RESOLUTIONS

Allotment of shares

4. That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and are generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £2,079,008.98 provided that this authority shall (unless renewed, varied or extended by the Company in general meeting) expire on the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot such equity securities in pursuance of such offer or agreement as if this authority had not expired.

Disapplication of pre-emption rights

5. That, subject to the passing of resolution 4, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred by resolution 4 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:
 - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £2,079,008.98; and
 - (b) unless renewed, varied or extended by the Company in general meeting, expire on the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot such equity securities in pursuance of such offer or agreement as if this authority had not expired.

Authority to buy back its own shares

6. That, the Company be and is hereby generally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693(4) of the 2006 Act) of its ordinary shares provided that:
 - (a) the Company does not purchase more than 145,132,642 ordinary shares (approximately 14.99% of the Company's issued share capital at the date of this notice)
 - (b) the Company does not pay for any such ordinary share less than its nominal value at the time of the purchase; and
 - (c) the Company does not pay for any such ordinary share more than 5% above the average of the closing mid-market price for the ordinary shares for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on the share prices published in the Daily Official List of the London Stock Exchange or the AIM supplement thereto.

The authority conferred by this resolution shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next Annual General Meeting of the Company and 31 December 2015, save the Company may before such expiry make a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry date.

Recommendation

The directors consider that all of the Resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that shareholders vote in favour of all of the Resolutions, as the directors intend to do in respect of their own beneficial holdings.

By order of the Board

Christopher Hill

Company Secretary
24 September 2014

Registered office:
DWF
Bridgewater Place
Water Lane
Leeds LS11 5DY

EXPLANATORY NOTES

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 2.00 p.m. on 3 November 2014; or,
 - if this Meeting is adjourned, at 2.00 p.m. on the day two (business) days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Website giving information regarding the Meeting

2. Information regarding the Meeting, including the information required by section 311A of the Companies Act 2006, is available from <http://www.quoram.co.uk>

Appointment of proxies

3. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

NOTICE OF 2014 ANNUAL GENERAL MEETING

(CONTINUED)

Appointment of proxy using hard copy proxy form

6. A hard copy proxy which may be used to make such appointment and give proxy instructions accompanies this notice. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, B63 3DA; and
- received by Neville Registrars no later than 2.00 p.m. on 3 November 2014.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, B63 3DA. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars no later than 2.00 p.m. on 3 November 2014. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Voting rights

11. As at 6.00 p.m. on 23 September 2014, (being the latest practicable date prior to the publication of this document), the Company's issued share capital comprised 968,196,408 ordinary shares of 0.25 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 23 September 2014 is 968,196,408.

The website referred to in note 2 will include information on the number of shares and voting rights.

Directors' transactions and service contracts

12. A statement or summary of transactions of Directors (and their family interests) in the share capital of the Company and copies of all Directors' service contracts of more than one year's duration will be available for inspection at the registered office during usual business hours (Saturdays and public holidays excepted) until the date of the annual general meeting, and at the place of the meeting for at least 15 minutes before the meeting until the conclusion of the meeting.

Quoram Plc
Registered in England and Wales
No. 03606195

