

**QUORAM PLC
INTERIM REPORT**

Six months ended 31 December 2013

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CHAIRMAN'S STATEMENT

During the interim period net assets declined from 0.33 to 0.25 pence per share as a result of an operating loss of £795k (Dec 2012: -£1,987k) which primarily reflected declines in the carrying value of quoted investments of £590k. Cash balances declined from £2.0m to £1.75m, partly relating to a negative movement in working capital which has since reversed. As at 14 March 2014 cash balances were £1.79m.

The principal development over the past year has been the continued decline in the value of the Company's interest in Wessex Exploration Plc ("Wessex"), which is an asset held for sale. During the calendar year 2013 the decline in the carrying value of Wessex declined by £1.49m, from £1.64m to £0.15m, significantly reducing the expected proceeds available on realisation available for deployment into the Company's investment strategy. The decline in the value of Wessex has largely offset the additional £1.88m raised in March 2013, leaving net assets virtually unchanged over the calendar year at £2.43m (Dec 2012: £2.45m).

An unrealised loss was also recorded during the period in relation to the mark to market value of the Company's holding in Plant Health Care Plc (Plant Health Care). Plant Health Care's products increase crop yields by enhancing natural processes within the plant. The need for these products has never been greater. With world population now at more than seven billion and increasing prosperity leading to demand for more and better nutrition, agriculture is facing ever greater challenges to produce enough food in ways which are sustainable, especially when resources such as water are becoming scarcer and the climate less predictable. Plant Health Care, with is quoted on AIM, provided an update on delivery of its new strategy in January, and is due to announce annual results on 24 March 2014.

During the interim period other income of £90k was recognised in relation to services provided by staff to third party clients (Dec 2012: nil) Since the period end, cost reductions have been implemented which are expected to reduce administrative expenses by approximately 50% and will take effect before the end of the year.

Outlook

Given the current profile of the balance sheet and within the scope of the investment policy approved in March 2013, 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 in 2014 as they arise.

James Ede-Golightly
18 March 2014

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
	<i>Notes</i>			
Continuing operations:				
Portfolio investment return		(266)	-	29
Impairment of available-for-sale investments		(324)	-	(154)
Other income		90	-	22
Portfolio return and revenue		(500)	-	(103)
Administrative expenses		(295)	(597)	(852)
Exceptional administrative expenses	2	-	(989)	(1,032)
Total administrative expenses		(295)	(1,586)	(1,884)
Operating loss		(795)	(1,586)	(1,987)
Finance income		6	1	4
Loss before taxation		(789)	(1,585)	(1,983)
Taxation		-	-	-
Loss for the financial period		(789)	(1,585)	(1,983)
Attributable to:				
Equity shareholders of the Company		(789)	(1,585)	(1,983)
Loss per share				
Basic and diluted loss per share (pence)	3	(0.08)	(0.32)	(0.31)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Loss for the financial period	(789)	(1,585)	(1,983)
Other comprehensive income			
Available-for-sale financial assets:			
Fair value gains/(losses) arising during the year	-	(840)	(1,930)
Tax on loss/(gain) on available-for-sale financial assets	-	209	451
Foreign exchange gains / (losses) on consolidation	(3)	(108)	24
Other comprehensive income for the financial period, net of tax	(3)	(739)	(1,455)
Total comprehensive income for the financial period	(792)	(2,324)	(3,438)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Notes</i>	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Assets			
Non-current assets			
Available-for-sale financial assets	149	1,640	473
Portfolio investments	422	-	688
Total portfolio investments held	571	1,640	1,161
Current assets			
Trade and other receivables	137	12	111
Cash and cash equivalents	1,755	1,051	1,991
Total assets	2,463	2,703	3,263
Liabilities			
Current liabilities			
Trade and other payables	(29)	(7)	(48)
Non-current liabilities			
Deferred tax	-	(243)	-
Total liabilities	(29)	(250)	(48)
Net assets	2,434	2,453	3,215
Capital and reserves attributable to the Company's equity shareholders:			
Share capital	4	2,420	2,420
Share premium account	3,813	3,123	3,813
Foreign exchange translation reserve	1,112	983	1,115
Retained earnings	(5,796)	(3,761)	(5,007)
Share-based payment reserve	885	863	874
Total equity	2,434	2,453	3,215

The financial statements were approved by the Board of Director's on 18 March 2014 and were signed on its behalf by:

James Ede-Golightly
Chairman

Chris Hill
Finance director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	-	-	-	(1,585)	-	(1,585)
Other comprehensive income:						
Fair value loss on available-for-sale financial assets	-	-	-	(840)	-	(840)
Tax on loss on available-for-sale investments	-	-	-	209	-	209
Foreign exchange loss on consolidation	-	-	(108)	-	-	(108)
Total comprehensive income	-	-	(108)	(2,216)	-	(2,324)
Share-based payments	-	-	-	-	324	324
Balance at 31 December 2012	1,245	3,123	983	(3,761)	863	2,453
Balance at 1 January 2013	1,245	3,123	983	(3,761)	863	2,453
Profit for the financial period	-	-	-	(398)	-	(398)
Other comprehensive income:						
Fair value loss on available-for-sale financial assets	-	-	-	(1,090)	-	(1,090)
Tax on gain on available-for-sale investments	-	-	-	242	-	242
Foreign exchange gains on consolidation	-	-	132	-	-	132
Total comprehensive income	-	-	132	(1,246)	-	(1,114)
Share-based payments	-	-	-	-	11	11
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	-	-	-	(789)	-	(789)
Other comprehensive income:						
Foreign exchange loss on consolidation	-	-	(3)	-	-	(3)
Total comprehensive income	-	-	(3)	(789)	-	(792)
Share-based payments	-	-	-	-	11	11
Balance at 31 December 2013	2,420	3,813	1,112	(5,796)	885	2,434

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Cash outflow from operating activities	(239)	(238)	(1,179)
Cash flow used in investing activities			
Proceeds from disposal of business	-	17	17
Interest received	6	1	4
Net cash flow from investing activities	6	18	21
Cash flow from financing activities			
Proceeds on issue of new shares	-	-	1,880
Expenses of new share issue	-	-	(15)
Net cash flows from financing activities	-	-	1,865
Net increase / (decrease) in cash and cash equivalents	(233)	(220)	707
Cash and cash equivalents at beginning of period	1,991	1,279	1,279
Effects of exchange movements	(3)	(8)	5
Cash and cash equivalents at end of the period	1,755	1,051	1,991

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation

These condensed Half Yearly financial statements are for the six month period ended 31 December 2013.

The financial information for the six months ended 31 December 2013 and 31 December 2012 is unaudited.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission.

The financial information has been prepared on the basis of IFRS that the Directors expect to be applicable as at 31 December 2013, with the exception of IAS 34 Interim Financial Reporting.

Financial information contained in this document does not comprise the Group's statutory financial statements as defined in section 434 of the Companies Act 2006.

The statutory financial statements for the year ended 30 June 2013 have been delivered to the Registrar of Companies. The auditors reported on these financial statements: their report was unqualified, did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006, and did not include references to any matters to which the auditor drew attention by way of emphasis.

2. Exceptional administrative expenses

	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Impairment of intangible assets	-	(989)	(1,032)

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3. Loss per share attributable to the equity shareholders of the Company

Basic loss per share	(Unaudited) Six months ended 31 December 2013 Pence	(Unaudited and restated) Six months ended 31 December 2012 Pence	(Audited) Year ended 30 June 2013 Pence
Loss per share from continuing operations	(0.08)	(0.32)	(0.31)

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

	£'000	£'000	£'000
Loss used in the calculation of total basic and diluted loss per share	(789)	(1,585)	(1,983)

Number of shares	(Unaudited) Six months ended 31 December 2013	(Unaudited and restated) Six months ended 31 December 2012	(Audited) Year ended 30 June 2013
Weighted average number of ordinary shares for the purposes of basic loss per share	968,196,408	498,196,408	635,977,230

The Company has issued options over 19,741,882 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.

4. Share Capital

	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Allotted, issued and fully paid			
968,196,408 (31 Dec 2012: 498,196,408) shares of 0.25 pence	2,420	1,245	2,420

5. Related Parties

Consultancy fees were invoiced to ORA Capital Partners Limited (a company controlled by a significant shareholder which at 31 December 2013 held 24.09% of the Company's issued share capital) as follows;

	(Unaudited) Six months ended 31 December 2013 £'000	(Unaudited and restated) Six months ended 31 December 2012 £'000	(Audited) Year ended 30 June 2013 £'000
Consultancy fees	53	-	40

The directors, having consulted the Company's nominated adviser, confirm their opinion that these arrangements, which are with related parties, are fair and reasonable insofar as the interests of shareholders are concerned.

6. Copies of the Interim Report

A copy of this Interim Report is now available on the Company's website at www.quoram.co.uk

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DIRECTORS, OFFICERS AND ADVISERS

Directors

James Ede-Golightly	Chairman
Chris Hill	Finance Director
Gordon Hall	Non-Executive Director

Secretary and Registered Office

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Auditors

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Registrars

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Nominated Adviser and Broker

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