

**QUORAM PLC  
INTERIM REPORT**

**Six months ended 31 December 2014**

**CONTENTS**

|  |    |
|--|----|
| Chairman's Statement                                     | 2  |
| Strategic Report   | 3  |
| Condensed Consolidated Income Statement                  | 5  |
| Condensed Consolidated Statement of Comprehensive Income | 6  |
| Condensed Consolidated Statement of Financial Position   | 7  |
| Condensed Consolidated Statement of Changes in Equity    | 8  |
| Condensed Consolidated Statement of Cash Flows           | 9  |
| Notes to the Condensed Consolidated Financial Statements | 10 |
| Directors, Officers and Advisers                         | 12 |

## CHAIRMAN'S STATEMENT

At December 2014 the Group's net assets were just under 0.29 pence per share, an increase from 0.26 pence in June 2014 and 0.25 pence in December 2013. Cash balances declined from £1.73m to £1.63m during the period.

During the period the Group completed an extended process of rationalization, marked by the closure of the Group's office and its US subsidiaries following expiry of the final Solitaire licenses earlier in 2014. A consequential reclassification of the Group's foreign exchange translation reserve resulted in an accounting gain, which is recognised in the Income Statement under other income.

Administration costs fell by 76% year on year to £68k (2013: £284k). The higher 2013 expenses were somewhat offset by other revenues of £90k relating to the provision of services to third party clients. A disciplined approach to costs will continue, however the potential for further reductions is limited. Ongoing expenses will depend on levels of activity within the investment portfolio: The low level of ongoing committed expenditure positions the Group with an ability to be patient while still retaining the capability to secure investment opportunities when they arise.

The portfolio return benefited from encouraging progress at Plant Health Care, resulting in an unrealised gain of £363k during the period. Further information on Plant Health Care can be found at its website ([www.planthealthcare.com](http://www.planthealthcare.com)).

During the period Wessex Exploration Plc changed its name to Hague and London Oil Plc following the purchase of Hague and London Oil BV for shares. Quoram's shareholding in the enlarged company has been diluted to 3.84%, which was valued at £111k and is reported as an asset held for sale on the balance sheet.

Given the discount at which the Group's shares trade to net asset value, the board has reviewed the potential for share buybacks as a means of providing liquidity and accreting shareholder value. However, given the need to complete a process of share capital reduction it was concluded that the cost of such an exercise was likely to outweigh potential the benefits.

### Outlook

While Quoram benefits from a low cost base and simple corporate structure, it retains the capacity to execute further investment opportunities when they arise on appropriate terms. Combined with a strong liquidity position, the Group is in a robust position and will inform investors of future developments when they arise.

**James Ede-Golightly**  
**18 March 2015**

## STRATEGIC REPORT

### Strategy and business objectives

Quoram's objectives 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 Group's existing cash resources. The Board will have full discretion to focus the Group's investment resource around those opportunities it has identified as offering the best potential for value creation. 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.

The Board are actively pursuing opportunities to increase shareholder value.

### Results

The profit for the six month period to 31 December 2014 was £1,351k (2013: loss of £778k).

### Business Review

A review of the Group's performance and future prospects is contained in the Chairman's Statement on page 2.

### Development and performance

The Group's Investments performed well in the first half of the year, with a total unrealised investment gain of £307k.

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 Group is well positioned to capitalise on opportunities as they arise.

### Position at year end

The Group finished the period with cash and cash equivalent balances of £1.63 million (2013: £1.76 million). Net assets at 31 December 2014 were £2.76 million compared to £2.43 million at 31 December 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 gain of £307k in the six months to 31 December 2014 compared to an unrealised total comprehensive loss of £590k in the six months to 31 December 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 six month period were £68k compared to £284k in the comparative period.

Net assets per share is an important indicator of the Group's financial performance. The net assets per share increased from 0.25p at 31 December 2013 to 0.29p at 31 December 2014, mainly reflecting the increase in the value of Portfolio Investments held during the period.

### 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.

QUORAM PLC  
INTERIM REPORT

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**Funding**

The Group has £1.63 million of cash and cash equivalents as at 31 December 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**  
**18 March 2015**

CONDENSED CONSOLIDATED INCOME STATEMENT

|   |              | (Unaudited)<br>Six months ended 31<br>December 2014<br>£'000 | (Unaudited)<br>Six months ended 31<br>December 2013<br>£'000 | (Audited)<br>Year ended 30 June<br>2014<br>£'000 |
|---|--------------|--|--|--|
|   | <i>Notes</i> |  |  |  |
| <b>Continuing operations:</b>                       |              |  |  |  |
| Portfolio investment return                         |              | 363  | (266)  | (55)   |
| Impairment of available-for-sale investments        |              | (56)   | (324)  | (306)  |
| Other income  | 2            | 1,108  | 90   | 181  |
| <b>Portfolio return and revenue</b>                 |              | <b>1,415</b>   | <b>(500)</b>   | <b>(180)</b>                                     |
| Administrative expenses                             |              | (68)   | (284)  | (517)  |
| <b>Total administrative expenses</b>                |              | <b>(68)</b>  | <b>(284)</b>   | <b>(517)</b>                                     |
| <b>Operating profit/(loss)</b>                      |              | <b>1,347</b>   | <b>(784)</b>   | <b>(697)</b>                                     |
| Finance income                                      |              | 4  | 6  | 9  |
| <b>Profit/(loss) before taxation</b>                |              | <b>1,351</b>   | <b>(778)</b>   | <b>(688)</b>                                     |
| Taxation  |              | -  | -  | -  |
| <b>Profit/(loss) for the financial period</b>       |              | <b>1,351</b>   | <b>(778)</b>   | <b>(688)</b>                                     |
| <b>Attributable to:</b>                             |              |  |  |  |
| Equity shareholders of the Group                    |              | 1,351  | (778)  | (688)  |
| <b>Earnings/(loss) per share</b>                    | 3            |  |  |  |
| Basic and diluted earnings/(loss) per share (pence) |              | 0.14   | (0.08)   | (0.07)   |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | <b>(Unaudited)</b><br><b>Six months ended 31</b><br><b>December 2014</b><br><b>£'000</b> | <b>(Unaudited and restated)</b><br><b>Six months ended 31</b><br><b>December 2013</b><br><b>£'000</b> | <b>(Audited)</b><br><b>Year ended 30</b><br><b>June 2014</b><br><b>£'000</b> |
|---|--|---|--|
| <b>Profit/(loss) for the financial period</b>                           | 1,351  | (778)   | (688)  |
| <b>Other comprehensive income</b>                                       |  |   |  |
| Reclassification of foreign exchange on consolidation to profit or loss | (1,108)  | -   | -  |
| Effects of foreign exchange on consolidation                            | -  | (3)   | (7)  |
| <b>Other comprehensive income for the financial period, net of tax</b>  | (1,108)  | (3)   | (7)  |
| <b>Total comprehensive income for the financial period</b>              | 243  | (781)   | (695)  |

QUORAM PLC  
INTERIM REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | (Unaudited)<br>Six months ended<br>31 December 2014 | (Unaudited and<br>restated)<br>Six months ended<br>31 December 2013 | (Audited)<br>Year ended 30<br>June 2014 |
|--|---|---|---|
| <i>Notes</i>   | £'000   | £'000   | £'000                                   |
| <b>Assets</b>  |   |   |   |
| <b>Non-current assets</b>  |   |   |   |
| Available-for-sale financial assets  | 111   | 149   | 167                                     |
| Portfolio investments  | 996   | 422   | 633                                     |
| <b>Total portfolio investments held</b>                                      | <b>1,107</b>  | <b>571</b>  | <b>800</b>                              |
| <b>Current assets</b>  |   |   |   |
| Trade and other receivables  | 40  | 137   | 18                                      |
| Cash and cash equivalents  | 1,631   | 1,755   | 1,734                                   |
| <b>Total assets</b>  | <b>2,778</b>  | <b>2,463</b>  | <b>2,552</b>                            |
| <b>Liabilities</b>   |   |   |   |
| <b>Current liabilities</b>   |   |   |   |
| Trade and other payables   | (15)  | (29)  | (32)                                    |
| <b>Total liabilities</b>   | <b>(15)</b>   | <b>(29)</b>   | <b>(32)</b>                             |
| <b>Net assets</b>  | <b>2,763</b>  | <b>2,434</b>  | <b>2,520</b>                            |
| <b>Capital and reserves attributable to the Group's equity shareholders:</b> |   |   |   |
| Share capital  | 4   | 2,420   | 2,420                                   |
| Share premium account  | 3,813   | 3,813   | 3,813                                   |
| Foreign exchange translation reserve   | -   | 1,112   | 1,108                                   |
| Retained earnings  | (3,470)   | (5,785)   | (5,695)                                 |
| Share-based payment reserve  | -   | 874   | 874                                     |
| <b>Total equity</b>  | <b>2,763</b>  | <b>2,434</b>  | <b>2,520</b>                            |

The financial statements were approved by the Board of Director's on 18 March 2015 and were signed on its behalf by:

**James Ede-Golightly**  
Chairman



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Foreign exchange<br>translation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Share based<br>payment<br>reserve<br>£'000 | Total<br>£'000 |
|---|---------------------------|--------------------------------------|---|-------------------------------|--|----------------|
| Balance at 1 July 2013  | 2,420                     | 3,813                                | 1,115   | (5,007)                       | 874  | 3,215          |
| Loss for the financial period   | -                         | -                                    | -   | (778)                         | -  | (778)          |
| <b>Other comprehensive income</b>                                       |                           |                                      |   |                               |  |                |
| Effects of foreign exchange on consolidation                            | -                         | -                                    | (3)   | -                             | -  | (3)            |
| <b>Total comprehensive income</b>                                       | -                         | -                                    | (3)   | (778)                         | -  | (781)          |
| <b>Balance at 31 December 2013</b>                                      | <b>2,420</b>              | <b>3,813</b>                         | <b>1,112</b>  | <b>(5,785)</b>                | <b>874</b>                                 | <b>2,434</b>   |
| Balance at 1 January 2014   | 2,420                     | 3,813                                | 1,112   | (5,785)                       | 874  | 2,434          |
| Profit for the financial period   | -                         | -                                    | -   | 90                            | -  | 90             |
| <b>Other comprehensive income</b>                                       |                           |                                      |   |                               |  | 0              |
| Effects of foreign exchange on consolidation                            | -                         | -                                    | (4)   | -                             | -  | (4)            |
| <b>Total comprehensive income</b>                                       | -                         | -                                    | (4)   | 90                            | -  | 86             |
| <b>Balance at 30 June 2014</b>  | <b>2,420</b>              | <b>3,813</b>                         | <b>1,108</b>  | <b>(5,695)</b>                | <b>874</b>                                 | <b>2,520</b>   |
| Balance at 1 July 2014  | 2,420                     | 3,813                                | 1,108   | (5,695)                       | 874  | 2,520          |
| Transfer to Retained earnings   | -                         | -                                    | -   | 874                           | (874)                                      | -              |
| Profit for the financial period   | -                         | -                                    | -   | 1,351                         | -  | 1,351          |
| <b>Other comprehensive income</b>                                       |                           |                                      |   |                               |  |                |
| Reclassification of foreign exchange on consolidation to profit or loss | -                         | -                                    | (1,108)   | -                             | -  | (1,108)        |
| <b>Total comprehensive income</b>                                       | -                         | -                                    | <b>(1,108)</b>                                      | <b>1,351</b>                  | -  | <b>243</b>     |
| <b>Balance at 31 December 2014</b>                                      | <b>2,420</b>              | <b>3,813</b>                         | <b>-</b>  | <b>(3,470)</b>                | <b>-</b>                                   | <b>2,763</b>   |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | (Unaudited)<br>Six months ended 31<br>December 2014<br>£'000 | (Unaudited and<br>restated)<br>Six months ended<br>31 December 2013<br>£'000 | (Audited)<br>Year ended 30<br>June 2014<br>£'000 |
|---|--|--|--|
| <b>Cash outflow from operating activities</b>                 | (107)  | (242)  | (266)  |
| <b>Cash flow used in investing activities</b>                 |  |  |  |
| Interest received   | 4  | 6  | 9  |
| <b>Net cash flow from investing activities</b>                | 4  | 6  | 9  |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | (103)  | (236)  | (257)  |
| Cash and cash equivalents at beginning of period              | 1,734  | 1,991  | 1,991  |
| <b>Cash and cash equivalents at end of the period</b>         | 1,631  | 1,755  | 1,734  |

## 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 2014.

The financial information for the six months ended 31 December 2014 and 31 December 2013 is unaudited. The financial information for the six months ended 31 December 2013 has been amended to reflect the share based payment charge which should have been recognized therefore the loss for the period has been adjusted by £11,000.

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 30 June 2015, 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 2014 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. Liquidation of subsidiary companies

During the period the Group completed an extended process of rationalization resulting in the striking-off of the two US incorporated subsidiaries. The net gains on foreign exchange recognized in relation to the US entities have therefore been reclassified to profit or loss in the period. There are no subsidiary companies as at 31 December 2014 but the results of the former subsidiaries to the date of liquidation are included.

QUORAM PLC  
INTERIM REPORT

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

|  | (Unaudited)<br>Six months ended 31<br>December 2014<br>Pence | (Unaudited)<br>Six months ended<br>31 December 2013<br>Pence | (Audited)<br>Year ended 30<br>June 2014<br>Pence |
|--|--|--|--|
| Earnings/(loss) per share from continuing operations | 0.14   | (0.08)   | (0.07)   |

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

|  | £'000  | £'000  | £'000  |
|--|--|--|--|
| Profit/(loss) used in the calculation of basic earnings/(loss) per share from continuing operations      | 1,351  | (778)  | (688)  |
| <b>Number of share</b>   | <b>(Unaudited) Six<br/>months ended 31<br/>December 2013</b> | <b>(Unaudited) Six<br/>months ended 31<br/>December 2013</b> | <b>(Audited)<br/>Year ended<br/>30 June 2014</b> |
| Weighted average number of ordinary shares for the purposes of basic and diluted profit/(loss) per share | 968,196,408  | 968,196,408  | 968,196,408                                      |

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 the average share price for the period is below the exercise price of the options.

**4. Share Capital**

|  | (Unaudited)<br>Six months ended 31<br>December 2014<br>£'000 | (Unaudited)<br>Six months ended 31<br>December 2013<br>£'000 | (Audited)<br>Year ended 30 June<br>2014<br>£'000 |
|--|--|--|--|
| <b>Allotted, issued and fully paid</b><br>968,196,408 shares of 0.25 pence | 2,420  | 2,420  | 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 2014 held 24.12% of the Company's issued share capital) as follows;

|                  | (Unaudited)<br>Six months ended 31<br>December 2014<br>£'000 | (Unaudited)<br>Six months ended 31<br>December 2013<br>£'000 | (Audited)<br>Year ended 30 June<br>2014<br>£'000 |
|------------------|--|--|--|
| Consultancy fees | -  | 53   | 144  |

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](http://www.quoram.co.uk)

QUORAM PLC  
INTERIM REPORT

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**DIRECTORS, OFFICERS AND ADVISERS**

**Directors**

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

**Secretary and Registered Office**

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Portwall Lane  
Bristol, BS1 6NA

**Registrars**

Neville Registrars  
Neville House  
18 Laurel Lane  
Halesowen, B63 3DA

**Nominated Adviser and Broker**

WH Ireland Limited  
4 Colston Avenue  
Bristol, BS1 4ST