QUORAM PLC

Report and financial statements for the year ended 30 June 2016

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DIRECTORS, OFFICERS AND ADVISERS

Directors

James Ede-Golightly	Chairman
Christopher Hill	Non-executive director
Gordon Hall	Non-executive director

Company Secretary
Christopher Hill

Registered Office
DWF
Bridgewater Place
Water Lane
Leeds LS11 5DY

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

In the circular dated 5th November 2015 I explained that the measures undertaken at the 2015 Annual General Meeting would allow Quoram to further reduce costs and provide the Company with the flexibility, either to progress its strategy as a private company, or alternatively return capital to shareholders. The board have now decided the appropriate course of action is to return a substantial proportion of the company's capital to shareholders through the payment of a dividend.

The decision to return capital reflects the limited scale of the Company's resources to pursue investment opportunities together with the rising capital requirements and regulatory burden associated with new admissions on AIM.

Performance

During the year the company recorded a loss of £796k substantially reflecting the decline in the value of the investment in Plant Health Care over the period. Administrative expenses fell from £130k to £118k reflecting the benefit of savings from the cancellation of trading on AIM in the second half, partly offset by the costs incurred that were associated with the circular and court process for the share capital reduction.

After the period end, Plant Health Care completed a discounted placing and open offer in which Quoram participated in proportion to its pre-existing interest through a subscription of £89k. Quoram now has a holding in Plant Health Care of 1,737,130 shares.

Dividend

Having reviewed the options for returning capital to shareholders, the board have decided to propose a dividend of 1 pence per share which, subject to approval at the AGM, will be paid on 21 December to shareholders on the register at 14 December.

Outlook

In 2017 the board will review the options for the disposal of the company's remaining assets, further distributions to shareholders and subsequent options for the company.

James Ede-Golightly
Chairman

Date: 03/11/2016

STRATEGIC REPORT

The directors present the Strategic Report for Quoram plc for the year ended 30 June 2016.

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 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.

For the year to 30 June 2015, the company was the parent of a group and filed consolidated accounts. For the year to 30 June 2016, the company filed single entity accounts for the first time. All past oil and gas exploration activities have now been ceased and all operating licenses have now expired. The Company's ability to pursue its Investing Policy has been hampered by the continued decline in the value of its historic investment in Wessex Exploration Plc (now called Hague and London Oil Plc). The company has also decided to de-list from AIM for the time being, with the option to re-list again in the future.

Results
The Company's result for the year ended 30 June 2016 was a loss of £796,000 (2015: profit of £1,133,000). The profit for the year ended 30 June 2015 includes a one off credit to the income statement of £1,108,000 reflecting the reclassification of foreign exchange losses (classed as profit from discontinued operations) on closure of the US subsidiaries.

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

Development and performance
The Company's Portfolio Investments performed poorly in the year to 30 June 2016, as described in the Chairman's Statement on page 2.

STRATEGIC REPORT (CONTINUED)

Position at year end
The Company finished the year with cash and cash equivalent balances of £1.49 million (2015: £1.62 million). Net assets at 30 June 2016 were £1.75 million compared to £2.55 million at 30 June 2015.

Key performance indicators
The key indicators of performance for the business in its current stage are the financial performance of its Portfolio Investments. The Company recognised an unrealised loss of £686k in the year to 30 June 2016 compared to an unrealised gain of £147k in the year to 30 June 2015.

The control of overhead spend is also of high importance to ensure the Company 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 £118k compared to £130k in the prior year.

Principal risks and uncertainties
The Company considers that the principal risks to achieving its business objectives are as follows:

Market risk
The main risk arising from the Company'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 Company aims to provide remuneration and working conditions that will both attract and retain high calibre employees. The Company 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 Company has £1.49 million of cash and cash equivalents as at 30 June 2016. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. 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

Date: 03/11/2016

DIRECTORS' REPORT

The directors present their report together with the financial statements for the year ended 30 June 2016.

Principal Activities
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 2.

Financial Risk Management and Objectives
The Company 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 Company to a number of financial risks, which are described in notes 13 and 14 of the financial statements.

Dividends
No interim dividend (2015: £nil) was declared during the year. The Directors have recommend payment of a final dividend in respect of the year ended 30 June 2016 of 1 pence per share (2015: £nil).

Directors

The directors holding office during the year and their interests in the shares of the Company as at 1 July 2015 and 30 June 2016 were as shown in the table below.

Executive Directors	Non-Executive Directors
J Ede-Golightly	C Hill
	G Hall

Ordinary Shares

	30 June 2016	1 July 2015
J Ede-Golightly	**763,075**	7,630,746
C Hill	**-**	-
G Hall	**250,000**	2,500,000

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 Cronin 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 Charter holder 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.

DIRECTORS' REPORT (CONTINUED)

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 fundraisers. He is also a director of Oxford Pharmascience Group Plc.

Gordon Hall
Gordon is a non-executive director of Nanoco Group 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 2016 was as follows:

Salaries and fees	**2016** **£'000**	2015 £'000
J Ede-Golightly	**22**	25
G Hall	**11**	12
C Hill	**13**	15

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 2016 are described in note 20 to these financial statements.

Corporate governance
The Company complies with the principles of the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance in September 2014 so far as is practicable and appropriate given the size and constitution of the Board.

The Board
At 30 June 2016 the Board comprised one executive director and two non-executive directors.

DIRECTORS' REPORT (CONTINUED)

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 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 2016, the Company had £1.49m (2015: £1.62m) 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 Company 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 Company.

DIRECTORS' REPORT (CONTINUED)

After due enquiry, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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. 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 Strategic Report, the Directors' Report 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 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 profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DIRECTORS' REPORT (CONTINUED)

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation 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 Company'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 Company'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

Date: 03/11/2016

INDEPENDENT AUDITOR'S REPORT
to the Members of Quoram Plc for the year ended 30 June 2016

We have audited the financial statements of Quoram Plc for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21. 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 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 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 financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 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 Act2006.

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 financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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; or
- the 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.

Carl Deane
Senior Statutory Auditor,
for and on behalf of

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 03/11/2016

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

Continuing operations:	Notes	2016 £'000	2015 £'000
Portfolio investment (loss)/return	7	**(686)**	147
Gross (loss)/profit		**(686)**	147
Administrative expenses		**(118)**	(130)
Operating (loss)/profit	3	**(804)**	17
Finance income	5	**8**	8
(Loss)/profit before taxation		**(796)**	25
Taxation	6	**-**	-
(Loss)/profit for the financial year from continuing operations		**(796)**	25
(Loss)/profit for the financial year from discontinued operations		**-**	1,108
Total comprehensive income for the financial year		**(796)**	1,133

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

STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Notes	2016 £'000	2015 £'000
Assets			
Non-current assets			
Portfolio investment assets held	7	**261**	947
Current assets			
Trade and other receivables	8	**12**	14
Cash and cash equivalents	9	**1,494**	1,615
		1,506	1,629
Total assets		**1,767**	2,576
Equity and liabilities			
Current liabilities			
Trade and other payables	10	**(18)**	(31)
Total liabilities		**(18)**	(31)
Net assets		**1,749**	2,545
Capital and reserves attributable to the Company's equity shareholders:			
Share capital	11	**97**	2,420
Share premium account		**-**	3,813
Retained earnings		**1,652**	(3,688)
Total equity		**1,749**	2,545

The financial statements were approved by the Board of Directors on 03/11/2016 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.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Share capital £'000	Share premium account £'000	Foreign exchange translation reserve £'000	Retained earnings £'000	Share-based payment reserve £'000	Total £'000
Balance at 30 June 2014	**2,420**	**3,813**	**1,108**	**(5,695)**	**874**	**2,520**
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	-	-	-	1,133	-	1,133
Other comprehensive income:						
Reclassification of foreign exchange losses on disposal of subsidiaries	-	-	(1,108)	-	-	(1,108)
Total comprehensive income	-	-	(1,108)	2,007	(874)	25
Balance at 30 June 2015	**2,420**	**3,813**	**-**	**(3,688)**	**-**	**2,545**
Balance at 1 July 2015	2,420	3,813	-	(3,688)	-	2,545
Profit for the financial period and comprehensive income	-	-	-	(796)	-	(796)
Share capital reorganisation	(2,323)	(3,813)	-	6,136	-	-
Balance at 30 June 2016	**97**	**-**	**-**	**1,652**	**-**	**1,749**

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

Cash Flow from Operating Activities	Notes	2016 £'000	2015 £'000
(Loss)/profit for the financial year		**(796)**	1,133
Finance income		**(8)**	(8)
Reclassification of foreign exchange gains to profit or loss		**-**	(1,108)
Unrealised loss/(profit) on revaluation of portfolio investments		**686**	(147)
		(118)	(130)
Changes in working capital			
Decrease in trade and other receivables		**2**	4
(Decrease) in trade and other payables		**(13)**	(1)
Net cash outflow used in operating activities		**(129)**	(127)
Cash flow from investing activities			
Interest received		**8**	8
Net cash generated from investing activities		**8**	8
Net (decrease) in cash and cash equivalents		**(121)**	(119)
Cash and cash equivalents at beginning of financial year		**1,615**	1,734
Cash and cash equivalents at end of financial year	9	**1,494**	1,615

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016

1. Accounting Policies

Basis of Preparation

These financial statements are the first single-entity annual financial statements of Quoram Plc (“the Company”) 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.

Previously, the Company filed parent accounts together with the consolidated financial statements of Quoram plc (“the Group”). The Company ceased to be a parent of the Group in the financial year ended 30 June 2015, when its subsidiaries were struck off.

The first date at which IFRSs were applied was 1 July 2014.
In accordance with IFRSs the Company has:

- Provided comparative information;
- Applied the same accounting policies throughout all periods presented; and
- Retrospectively applied IFRSs as required.

IFRSs are 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 2016.

Information on the impact of first-time adoption of IFRSs is given in note 21.

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

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 Company 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 Company.

(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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

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.

Discontinued operations
In the year ended 30 June 2015, a reclassification of the Group's foreign exchange translation reserve resulted in an accounting gain, which is recognised under discontinued operations in the Income Statement.

Finance Income
Interest is recognised using the effective interest method.

Portfolio Investment Assets
Portfolio investments held by the Company 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 following basis:
(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 in 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 Company 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 Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

Foreign Currency
The presentational currency for the Company's financial statements is Sterling and it is this currency in which the Company reports. Foreign currency transactions by the Company 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 statement of financial position date, with any exchange adjustments being charged or credited to the Income Statement.

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.

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 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.

Current Taxation
Current tax for the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

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 statement of financial position date, are recognised in accruals.

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 Company's presentational currency and the translation at the closing rate of the net investment in the subsidiaries. The Foreign exchange translation reserve has been reclassified to retained earnings on liquidation of subsidiary companies based in the US.
- "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. The Share based payment reserve has been transferred to retained earnings.

Accounting standards and interpretations adopted during the period
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 Company. These have had no impact on its results or financial position.
Standards, amendments and interpretations that are expected to be effective for periods beginning on or after 1 July 2016 for standards, amendments subject to EU endorsement are mentioned below.

Standards, interpretations and amendments to existing standards that have been published, and are mandatory to accounting periods beginning on or after 1 July 2016 or later periods and that have not been early adopted by the Company include the following:

Description	**Effective date (periods beginning on or after)**	**EU adopted**
IFRS 9 Financial Instruments	1 January 2018	No
IFRS 15 Revenue from Contracts with Customers	1 January 2018	No
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016	No
IFRS 16 Leases	1 January 2019	No

A number of other interpretations and amendments to existing standards have been made by the IASB and IFRIC but are not considered relevant to the Company's operations.

The directors are considering the impact of the above new standards and amendments on the reported results of the Company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

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 statement of financial position 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 2016 at a valuation of £261,000 (2015: £947,000). For further detail see notes 7 and 12.

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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

3. Operating profit/loss

Operating profit/loss	2016 £'000	2015 £'000
Operating profit/loss is stated after charging:		
Fees payable to the Company's auditor for the audit of the annual statements	**12**	15
Fees payable to the Company's auditor and its associates for other services:		
Tax compliance services	**4**	4
Audit related assurance services	**-**	1

4. Directors and Employees

	2016 £'000	2015 £'000
Staff costs		
Wages and salaries	**46**	52
Social security costs	**1**	1
	47	53

The average number of employees employed by the Company was:

	2016	2015
Average number of employees	**3**	3

	2016 £'000	2015 £'000
Compensation of key management was as follows:		
Short term benefits	**46**	52
Social security costs	**1**	1
	47	53

	2016 £'000	2015 £'000
Highest paid director:		
Aggregate emoluments and benefits	**22**	25

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

	2016 £'000	2015 £'000
Bank interest received	**8**	8

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

6. Taxation

There was no current tax charge for the year ended 30 June 2016 (2015: £nil).

Reconciliation of the effective tax charge	**2016**	2015
	£'000	£'000
(Loss)/ profit before taxation	**(796)**	25
(Loss)/ profit before tax multiplied by standard rate of corporation tax in the UK of 20.0% (2015: 20.0%)	**(159)**	5
Tax effects of:		
Other expenses not deductible for tax purposes	**140**	(5)
Adjust closing deferred tax to average rate of 20.00%	**31**	-
Deferred tax not recognised	**(12)**	-
Tax expense and effective tax rate	**-**	-

The amount of unutilised tax losses are as follows:

	2016	2015
	£'000	£'000
Unutilised tax losses UK	**1,529**	1,434

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.

7. Portfolio Investment assets

	Quoted equity shares
	£'000
Fair value at 30 June 2014	800
Unrealised gain on revaluation	147
Fair value at 30 June 2015	947
Unrealised loss on revaluation	(686)
Fair value at 30 June 2016	**261**

All portfolio investments are held by Quoram Plc.

8. Trade and other receivables

	2016	2015
	£'000	£'000
Other receivables	**5**	3
Prepayments and accrued income	**7**	11
	12	14

The directors consider the carrying value of trade and other receivables are approximate to their fair value. All of the Company's receivables have been reviewed for indications of impairment. None of the receivables were found to be impaired as at 30 June 2016 (2015: £nil).

No unimpaired receivables are past due as at the reporting date (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

9. Cash and cash equivalents

	2016	2015
	£'000	£'000
Cash at bank (GBP)	**1,456**	1,583
Cash at bank (USD)	**38**	32
	1,494	1,615

10. Trade and other payables

	2016	2015
	£'000	£'000
Other payables	**3**	4
Accruals	**15**	27
	18	31

11. Share Capital

a) Share Capital	**2016**	2015
	£'000	£'000
Issued and fully paid up		
96,819,641 shares of 0.1 pence (2015: 968,196,408 shares of 0.25 pence)	**97**	2,420

Further to shareholder approval received at the Annual General Meeting on 3 December 2015, the Company performed a capital reorganisation which involved the consolidation of 968,196,408 existing ordinary shares (with a nominal value of 0.25 pence) on a ten-to-one basis, a sub-division in to 69,819,641 new ordinary shares of 0.1 pence and 69,819,641 deferred shares of 0.24 pence. The deferred shares were subsequently cancelled at the same time as the share premium account via a court approved capital reduction process.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

11. Share Capital (continued)

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

2016	**Number of options**	**WAEP £**
Outstanding at the beginning of the year	14,675,215	0.04
Expired during the year	(3,354,667)	(0.05)
Outstanding at the year end	11,320,548	0.03
Number exercisable at 30 June 2016	11,320,548	0.03
2015	**Number of options**	**WAEP £**
Outstanding at the beginning and end of the year	14,675,215	0.04
Number exercisable at 30 June 2015	14,675,215	0.04

The Company recognised total expenses of £nil (2015: £nil) related to equity-settled share-based payment transactions during the year as all options relate to employees or directors who have now left the Company.

12. Financial Instruments

Classification of financial instruments

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

At 30 June 2016	**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**
Portfolio investments	-	261	-	261
Trade and other receivables	12	-	-	12
Cash and cash equivalents	1,494	-	-	1,494
Trade and other payables	-	-	(18)	(18)
	1,506	261	(18)	1,749

At 30 June 2015	**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**
Portfolio investments	-	947	-	947
Trade and other receivables	14	-	-	14
Cash and cash equivalents	1,615	-	-	1,615
Trade and other payables	-	-	(31)	(31)
	1,629	947	(31)	2,545

Loans and other receivables and financial liabilities at amortised cost carrying values approximate to their fair values, as at 30 June 2016 and 2015, given their nature and short times to maturity.

Under IFRS 13 Financial Instruments: Disclosures, Portfolio investments are classified under the fair value hierarchy as level 1.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

13. Financial Instrument Risk Exposure and Management

The principal financial risks to which the Company 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 Company'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.

The only substantive change to the Company's exposure to financial instrument risks has been that it no longer has an exposure to foreign currency risk. Its objectives, policies and processes for managing the remaining risks or the methods used to measure them have not changed from the previous year.

Liquidity risk
Liquidity risk is dealt with in note 14 of these financial statements.

Credit risk
The Company's credit risk is primarily attributable to its cash balances and portfolio investments.

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

The Company's total credit risk amounts to the total of the sum of the receivables, portfolio investments, and cash and cash equivalents. At the year end this amounts to £1,767,000 (2015: £2,576,000)

Interest rate risk and sensitivity analysis
The Company's only exposure to interest rate risk is the interest received on cash held on deposit.

The Company 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 Company's profit/loss before tax:

	Change in interest rate	**2016 £'000**	**Change in interest rate**	**2015 £'000**
Sterling	**0.50%**	**7.28**	0.50%	7.92
	1.00%	**14.57**	1.00%	15.83
	1.50%	**21.85**	1.50%	23.75
Dollars	**0.50%**	**0.19**	0.50%	0.16
	1.00%	**0.38**	1.00%	0.32
	1.50%	**0.56**	1.50%	0.48

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

13. Financial Instrument Risk Exposure and Management (continued)

Equity price risk

The Company's portfolio investments are subject to equity price risk. For financial instruments held, the Company uses a sensitivity analysis technique that measures the changes in fair value of the Company's financial instruments to hypothetical changes in market price.

A 5% increase/(decrease) in the market value of positions held at 30 June 2016 would increase/(decrease) the value of the Portfolio Investment assets by £11k (2015: £47K).

Foreign exchange risk

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

14. Liquidity risk

In managing liquidity risk, the main objective of the Company 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 Company's financial liabilities as at 30 June 2016 on the basis of their earliest possible contractual maturity:

	Total £'000	Within 2 months £'000	Within 2 -6 months £'000
At 30 June 2016			
Trade payables	-	-	-
Other payables	3	3	-
Accruals	15	-	15
	18	3	15
At 30 June 2015			
Trade payables	-	-	-
Other payables	4	4	-
Accruals	27	-	27
	31	4	27

15. Capital Management

The Company's objectives when managing capital are to safeguard the Company'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 Company defines capital as being share capital plus reserves as disclosed in the statement of financial position.

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

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

16. Financial Commitments

The Company had no capital commitments at 30 June 2016 (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016 (continued)

17. Related Party Transactions

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

Short-term benefits	**2016**	2015
	£'000	£'000
Directors' remuneration:		
Mr J Ede-Golightly	**22**	25
Mr G Hall	**11**	12
Mr C Hill	**13**	15
	46	52
Social security costs	**1**	1
Total	**47**	53

18. Contingent Liabilities

The directors are not aware of any contingent liabilities within the Company at 30 June 2016.

19. Ultimate Controlling Party

As at 30 June 2016, Quoram Plc had no ultimate controlling party.

20. Events after the Statement of financial position date

There were no significant events after the statement of financial position date.

21. First time adoption of IFRSs

The policies applied under the entity's previous accounting framework are not materially different to IFRSs and have not impacted on equity or profit or loss. On transition to IFRSs, the company classified its portfolio investments as fair value through profit or loss.