Alexander David Investments PLC

Report and Financial Statements

Year Ended

31 December 2013

Annual report and financial statements for the year ended 31 December 2013

Contents

Directors	C W Rourke *(Non Executive Chairman)* A M Gutmann *(Non Executive Director)* P W C Lomax *(Non Executive Director)* D A H Scott *(Non Executive Director)*
Secretary and registered office	N A C Lott, 6 New Street Square, New Fetter Lane, London EC4A 3BF.
Company number	3508592
Business address	131 Finsbury Pavement, London, EC2A 1NT.
Auditor	Crowe Clark Whitehill LLP, St Brides House, 10 Salisbury Square, London, EC4Y 8EH.
Nominated Adviser	Cairn Financial Advisers LLP, 61 Cheapside, London, EC2V 6AX.
Broker	Beaufort Securities Limited, 131 Finsbury Pavement, London, EC2A 1NT
Legal Advisers	DMH Stallard, 6 New Street Square, New Fetter Lane, London EC4A 3BF.
Website	www.ad-investments.com

Chairman's statement
for the year ended 31 December 2013

In the Chairman's Statement in the Half Yearly Report dated 26 September 2013, the Company advised that its financial position had been improved and that the Board was continuing to search for new business opportunities which are in the best interests of shareholders. This remains the case.

During 2013 there was a minimal profit on the gross portfolio return of £3,000 against a loss of £195,000 for the same period in 2012. Administrative expenses were reduced to £286,000 (2012: £458,000) resulting in an overall improvement in the loss for the period of £283,000 (2012: loss of £653,000). The Board will continue to act prudently in the best interest of shareholders.

As previously announced, ReGen Therapeutics ("RTL") has a draw down facility from ADI of £240,000, which, as at 31 December 2012, had been fully drawn down and had accrued £34,000 of interest. This facility is recognised on the Company's balance sheet as a fixed asset investment. The Directors felt it prudent to make a provision against the value of this investment of £205,000 at the end of 2012, and the remaining £69,000 (plus an additional £24,000 of accrued interest) has been provided against at the end of 2013. The reasons are that RTL stated on 19 October 2012 that Colostrinin™ sales had not improved during that year and that the date for breakeven was now pushed back to 2013 and further funding would be required to reach breakeven. Then on December 9, 2013, the Company announced that Sales revenues for Colostrinin had continued to be poor during 2013. Against this background it is now doubtful that any of the ReGen loan would be repaid.

In 2013, ADI pursued a new strategy which involved injecting further assets into the Company and setting itself on a new business direction. This resulted in an investment of approximately £155,000 by Planwise Group Ltd ("Planwise") as announced on 19 April 2013. The injection of capital by Planwise in April via a share issue reduced ADI's debts and Planwise also entered into a £200,000 loan agreement to provide the Company with additional working capital whilst it works on a proposed transaction. The Company was in ongoing discussions with Planwise in relation to a proposed transaction which, if completed, would comprise a reverse takeover of the Company as defined by the AIM Rules. Pending the outcome of discussions between the Company and Planwise, the Company requested temporary suspension from trading of its shares on AIM pursuant to AIM Rule 14 and the suspension took effect on 19 April 2013. During the financial period £130,000 from the loan facility had been drawn.

On August 30, 2013 it was announced that discussions between the Company and Planwise in relation to a possible reverse takeover transaction had terminated. Accordingly, the Company requested that the suspension to trading in the Company's ordinary shares on AIM be lifted. Trading recommenced on 30 August 2013. The Directors said that they were reviewing a number of other opportunities and would make a further announcement in due course.

Finally, on December 19, 2013 the Company announced that it has entered into an agreement to issue £400,000 of convertible loan notes ("Notes") to Planwise ("Related Party Loan"). Proceeds of the subscriptions for the Notes are to be used exclusively for the purpose of funding the costs and expenses of the Company in connection with a possible reverse takeover ("Proposed Transaction"). Due to the exclusivity of the use of funds for the Proposed Transaction, the Company requested the suspension of trading in its ordinary shares on AIM ("Suspension") in accordance with AIM Rule 14, until such time as the Company publishes an admission document relating to the Proposed Transaction or otherwise ceases discussions in relation thereto. The Suspension was effective immediately. Further announcements will be made in due course as appropriate.

Christopher W Rourke
Chairman

31 March 2014

Strategic Report
for the year ended 31 December 2013

2013 has been a transitional year for Alexander David Investments Ltd. The Company's immediate working capital requirements have been addressed and new directions have been and continue to be explored.

We began the year pursuing our stated investment policy of targeting small cap and special opportunities with a bias towards investments in the basic resources and oil and gas sectors predominately, but not exclusively, on AIM.

On April 19, 2013 the Company purchased a portfolio of oil & gas and mining shares valued at £155,070 from Planwise Group Ltd. in exchange for new ordinary shares. The portfolio was subsequently sold to provide cash for working capital purposes. At the time, two new Board members were appointed who replaced two departing directors, and a new broker was appointed. The Company's shares were then suspended pending discussions with Planwise regarding a Possible Transaction.

On May 1, 2013 it was announced that Planwise was providing to the Company a £200,000 loan facility which was to cover the Company's working capital requirements for the following 12 months.

On August 30, 2013 we informed the market that discussions between the Company and Planwise Group Ltd in relation to a possible reverse takeover transaction had terminated and as a consequence the trading suspension of the Company's shares was requested to be lifted. At the time the Directors were reviewing a number of other opportunities.

On December 19, 2013 the Company announced that it had entered into discussions again with Planwise in regards to a new Proposed Transaction. To fund the costs of the Proposed Transaction, Planwise agreed to issue a £400,000 convertible loan note facility to the Company. Once again, it was requested that trading in the Company's shares be suspended, which remains the case today.

Investment performance

The Company's originally stated investment policy was to target small cap and special opportunities with a bias towards investments in the basic resources and oil and gas sectors predominantly, but not exclusively, on AIM focussing on new and secondary equity issues but also including some pre-IPO investments.

However as previously stated the timing of the inception of carrying out its policies coincided with difficult market conditions.

In 2013, and the beginning of 2014, ADI pursued a new strategy which involved injecting further assets into the Company and setting it on a new business direction as detailed above.

Principal risks, uncertainties and outlook

The principal risks and uncertainties facing the Company relate mainly to the course of its future direction. The Company's working capital requirements are more than satisfied for the foreseeable future, although more funding would likely be required later this year should a Proposed Transaction not be consummated. It is envisioned that a Proposed Transaction could be presented to shareholders for approval by the end of April 2014. The Directors are actively pursuing a transaction and, subject to shareholder approval, are confident of completion in the near future. The success or failure of this transaction will have an impact on going concern.

Other matters

The Company's activities have no impact on the environment.

By order of the Board

C Rourke
Chairman

Date: 31 March 2014

Directors
for the year ended 31 December 2013

The current board members are as follows;

Christopher Rourke

(Non-Executive Chairman)

Mr Rourke is Director of Corporate Business Development at Beaufort Securities Limited ("Beaufort"). Christopher has over 20 years of global financial markets experience. Originally from Canada, his 18-year career in London has involved Investment Banking (including at UBS and Bank of Montreal Nesbitt Burns) and co-founding a Private Equity boutique (India and London Real Estate focus). He holds a Bachelor of Commerce degree from McGill University, Montreal, Canada, and is a Chartered Financial Analyst.

Andrew Gutmann

(Non-Executive Director)

Mr Gutmann is the head of Capital Markets at Beaufort. He specialises in fundraising for small and micro-cap companies. He has worked for a number of institutions and has over 15 years' experience in the City.

Percy Lomax BSc (Econ) FCSI

(Non-Executive Director)

Percy Lomax has had a long career in London in both corporate stock broking and Company analysis. The most well-known companies in which he has worked include Robert Fleming, Vivian Gray, Prudential Bache and Teather & Greenwood. He has significant knowledge of start-ups and fundraising for small companies. He is a fellow of the Chartered Securities Institute. He is a member of the audit committee.

David Scott FCSI

(Non-Executive Director)

David Scott has over 25 years of corporate broking and investment banking experience in advising small and medium-sized companies on both the Official List and AIM. He has extensive experience in private equity and advising unquoted companies. David began his career in the corporate finance department of L Messel & Co and has since been a director of corporate broking at ING Barings, a director of Resolution Partners Limited and a director of corporate finance at Lewis Charles. He is currently Chief Executive of Alexander David Securities Limited.

Report of the directors
for the year ended 31 December 2013

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

Results and dividends

The profit and loss account is set out on page 11 and shows the loss for the year.

The directors do not recommend the payment of an ordinary dividend (2012 – £nil).

Principal activities

The principal activity of the Company is that of an investment company targeting opportunities predominantly in the basic resources and oil and gas sectors.

Financial Instruments

Details of the use of financial instruments by the Company are contained in note 4 of the financial statements.

Policy of the payment of creditors

Amounts due to suppliers are settled within their terms of payment where possible except in cases of dispute.

The number of days purchases of the Company represented by trade creditors at 31 December 2013 was 30 days (2012 – 174). The creditors are settled within agreed terms

Corporate governance

The directors acknowledge the importance of the UK Code of Corporate Governance issued by the Financial Reporting Council ("the Code") in 2010. Whilst compliance is not mandatory, they have used parts of the Code as appropriate to the Company given its size and nature.

A remuneration committee exists and is chaired by a non-executive director.

An audit committee exists and is chaired by a non-executive director.

Directors

The directors of the Company during the year and to the date of these financial statements were:

C W Rourke – Non-Executive Chairman (appointed 28 June 2013)
P W C Lomax – Non-Executive Director (from 28 June 2013; previously Chairman)
N A C Lott – Non-Executive Director (resigned 1 May 2013)
D Scott – Non-Executive Director
M Hicks – Non-Executive Director (resigned 1 May 2013)
A M Gutmann – Non-Executive Director (appointed 28 June 2013)
Alexander David Investments PLC

Directors' interests

The directors' interests in the shares of the Company at the year end were:

	Ordinary shares of 0.1p each 31 December 2013	Ordinary shares of 0.1p each 31 December 2012	Deferred A shares of 4.9p each 31 December 2012 & 2013	Deferred B shares of 9.99p each 31 December 2012 & 2013
C W Rourke	**—**	—	—	—
P W C Lomax	**219,787**	219,787	1,448,736	53,787
D Scott	**600,000**	600,000	—	—
A M Gutmann	**—**	—	—	—

Share options held by directors are disclosed in note 8 to the financial statements.

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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. 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

Directors' indemnity

Subject to the conditions set out in the Companies Act 2006, the Company has arranged appropriate Directors' and Officers' insurance to indemnify the Directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

Directors' statement as to disclosure of information to auditor

Each of the Directors, who are all members of the Board at the time of approving the Directors' Report, confirms that having made enquiries of fellow Directors:

– so far as each of the Directors are aware, there is no relevant information of which the Company's auditor is unaware; and

– he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 234 of the Companies Act 2006.

Auditor

Crowe Clark Whitehill LLP acts as the Company's auditor and a resolution to confirm their appointment will be proposed at the Annual General Meeting.

By order of the Board

Christopher W Rourke
Chairman

Date: 31 March 2014

Independent auditor's Report to the members of Alexander David Investments PLC for the year ended 31 December 2013

We have audited the financial statements of Alexander David Investments PLC for the year ended 31 December 2013 which comprise of the Profit and Loss Account, the Balance Sheet, the cashflow statement and related notes.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK Generally Accepted Accounting Practice ("UK GAAP").

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 in the Directors' report, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Strategic Report, the Directors' Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the company's affairs as at 31 December 2013 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK GAAP; 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on the going concern basis, which depends on the completion of a reverse takeover or similar transaction. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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.

Stephen Bullock (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP,
Chartered Accountants (Statutory auditor)
Salisbury House
10 Salisbury Square
London
EC4Y 8EH

Date: 31 March 2014

Profit and Loss Account
for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Continuing operations			
Turnover – Gross portfolio return		**3**	(195)
Administrative expenses		**(286)**	(458)
Operating loss	7	**(283)**	(653)
Loss on ordinary activities before taxation		**(283)**	(653)
Taxation	10	**—**	—
Loss for the financial year		**(283)**	(653)
Earnings per share			
Basic and diluted loss per share	11	**(0.05)p**	(0.15)p

The notes on pages 15 to 28 form part of these financial statements.

There are no gains or losses for the period other than those recognised in the profit and loss account above.

Note of Historical Cost Profits and Losses
for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Reported loss for the year before taxation		**(283)**	**(653)**
Fair value adjustment in respect of investments held at fair value through the profit and loss	6	**(1)**	181
Historical cost loss on ordinary activities before and after taxation		**(284)**	(472)

The notes on pages 15 to 28 form part of these financial statements.

Balance Sheet
as at 31 December 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Fixed Assets					
Other Investments	5	**—**		69	
			—		69
Current assets					
Trade and other debtors	12	**50**		7	
Other investments	6	**15**		16	
Cash and cash equivalents	13	**61**		4	
Total current assets			**126**		27
Total assets			**126**		96
Creditors: amounts falling due within one year					
Trade and other creditors	14	**272**		136	
			272		136
Net current (liabilities)/assets			**(146)**		(109)
Net (liabilities)/assets			**(146)**		(40)
Equity					
Share capital	15		**6,663**		6,647
Share premium			**14,489**		14,349
Share-based payment reserve			**128**		107
Profit and Loss account			**(21,426)**		(21,143)
Total equity			**(146)**		(40)

The financial statements were approved by the Board and authorised for issue on 31 March 2014 and were signed on its behalf by

C W Rourke
Chairman

The notes on pages 15 to 28 form part of these financial statements.

Cashflow Statement
for the year ended 31 December 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Net cash outflow from operating activities	18		**(77)**		(210)
Returns on investments and servicing of finance					
Interest received		**(24)**		(21)	
Net cash outflow on returns on investments and servicing of finance			(24)		(21)
Management of liquid resources					
Net purchase of investment		**(155)**		(85)	
Sale of investments		**157**		310	
			2		225
Capital expenditure					
Convertible Loan		**—**		(90)	
Net cash outflow for capital expenditure			**—**		(90)
Acquisitions and disposals					
Net proceeds from the issue of shares		**156**		67	
Net cash inflow from acquisitions and disposals			**156**		67
Net cash inflow/(outflow)			**57**		(29)
Increase/(decrease) in cash in the period	20		**57**		(29)

The notes on pages 15 to 28 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 December 2013

1. General information

Alexander David Investments PLC ("ADI" or "the Company") is an investing company quoted on AIM (LSE: ADI). ADI's investment targets are small cap and special opportunities with a current bias towards basic resources and oil and gas companies, predominately on AIM. Such investments will focus on new and secondary equity issues but may also include some pre-IPO investments.

ADI was incorporated in England and Wales on 11 February 1998 (registration no. 3508592), with its registered office at 131 Finsbury Pavement, London, EC2A 1NT. Its principal country of operations is the United Kingdom.

The financial statements are presented in pounds sterling, the functional currency of the Company.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and UK Generally Accepted Accounting Practice with adoption of fair value and therefore FRS 25, FRS 26 and FRS 29 have been fully adopted.

Going concern

The financial statements have been prepared on a going concern basis. On 1 May 2013 the Company issued 155,070,000 ordinary shares to Planwise Group Limited ("Planwise") in consideration for a portfolio of investments, which were valued at £155,070. The Company subsequently sold the portfolio in order to realise cash to enable it to settle its historic creditors.

The Company agreed a loan facility, which expires on 1 May 2014 with Planwise Group Limited pursuant to which it may draw down up to £200,000 for working capital purposes.

On 19 December 2013 the Company entered into an agreement to issue £400,000 of convertible loan notes to Planwise Group Limited. Proceeds of the subscriptions for the notes are to be used exclusively for the purpose of funding the costs and expenses of the Company in connection with a possible reverse takeover ("Proposed Transaction"). The notes will be converted automatically into ordinary shares in the Company at a price of £0.0004 per share upon completion of a Proposed Transaction. Redemption of the notes together with outstanding accrued interest is due by 30 June 2014.

The Directors are actively pursuing a transaction and are confident of completion in the near future and as result and consideration of the above believe the Company to being a going concern and have prepared the financial statements on this basis. If such a transaction is not completed the company may be unable to continue as a going concern.

2. Accounting policies (continued)

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. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Other investments – Investments at fair value through profit or loss

The Company designates its investment portfolio as financial assets at fair value through profit or loss. The fair value of each investment is assessed at each reporting date as follows:

Quoted investments

The fair value of financial assets which are traded on active liquid markets are determined with reference to quoted market prices. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market.

Unquoted investments

The fair value of financial assets which are not traded on an active market is determined by reference to the 'International Private Equity and Venture Capital Valuation Guidelines' ("IPEVCV Guidelines"). In determining the fair value of an investment, the Company applies a methodology prescribed by the IPEVCV Guidelines that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable data, market inputs, assumptions and estimates. Any changes in the above data, market inputs, assumptions and estimates will affect the fair value of an investment which may lead to a recognition of impairment losses in the profit and loss account if an indication of impairment exists.

Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment.

A fair value through profit or loss asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when rights are realised, expire or are surrendered and the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Realised gains and losses on fair value through profit or loss assets sold are calculated as the difference between the sales proceeds and cost. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company has transacted an unconditional disposal of the assets.

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet at fair value when the company becomes a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors represent amounts due from customers in the normal course of business. These are recognised at fair value and subsequently at amortised cost unless the effect of discounting is immaterial. Appropriate allowance is made for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash at hand and deposits held at call with banks with original maturities of three months or less.

Trade creditors

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

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity investments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received

2. Accounting policies (continued)

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as cash available on demand and short-term deposits.

Provisions

A provision is recognised when the Company has present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of unquoted investments

In estimating the fair value for an investment, the Company applies a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total

investment portfolio using reasonable data, market inputs, assumptions and estimates.

The valuation of private equity investments is inherently subjective, based as it is on forward looking estimates and judgments. Whilst most valuations provide useful interim indications of the progress of a particular investment or portfolio of investments, ultimately it is not until realisation that true performance is finally determined.

(b) Going concern

The directors believe that there are sufficient borrowing facilities for the Company’s purposes for the foreseeable future. The Company has a loan facility of £200,000 with Planwise Group Limited, which is available for working capital purposes. The Directors are actively pursuing a possible reverse takeover transaction and consider that the loan facility will provide sufficient working capital until a transaction is completed. If such a transaction is not completed the company may be unable to continue as a going concern.

4. Financial Instruments – Risk Management

The Company is exposed through its operations to liquidity risk and market risk. The directors do not believe the Company has any significant currency risk. The directors are of the opinion that there is no difference between the fair value and book value of financial instruments.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them where appropriate. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The list of financial instruments used by the Company, from which financial instrument risk arises are as follows:

- Trade and other debtors
- Other investments – Investments at fair value through the profit or loss
- Cash and cash equivalents
- Trade and other creditors

	Loans, cash and cash equivalents and debtors held at amortised cost		Financial assets at fair value through the profit and loss	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Fixed assets				
Other investments – Convertible loan	**—**	—	**—**	69
Current financial assets				
Trade and other debtors	**50**	7	**—**	—
Other investments	**—**	—	**15**	16
Cash and cash equivalents	**61**	4	**—**	—
Total	**111**	11	**15**	85

	Borrowings and trade creditors held at amortised cost	
	2013 £'000	2012 £'000
Current financial liabilities		
Trade and other creditors	**42**	136
Planwise loan	**130**	—
Planwise convertible notes	**100**	—
Total	**272**	136

4. Financial Instruments – Risk Management (continued)

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and it sets policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Liquidity risk

The principal risk to the Company is liquidity, which arises from the Company's management of working capital. It is a risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. This aspect is kept under review by the directors and in this respect the Board receives regular information regarding cash balances and investments held. It is the Company's policy as regards liquidity to ensure sufficient cash resources are maintained to meet short-term liabilities. All financial liabilities at the year end are due within 180 days.

When the Company has surplus cash following capital raisings, the funds are placed on the money market in a mixture of short term deposits and current accounts in order to obtain the best possible return on monies deposited, yet retaining the flexibility in terms of access to allow the Company to meet its liabilities when they become due.

The liquidity of the company is dependent on the completion of a successful transaction as mentioned in note 2.

Market risk

The cash deposits are held in a mixture of short term deposits and current accounts at floating rates.

Capital

The Company considers its capital to comprise its ordinary share capital and share premium. The Company has historically considered equity funding as the most appropriate form of capital for the Company but keeps this under review bearing in mind the risks, costs and benefits to equity shareholders of introducing debt finance.

The Company's capital management objectives are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by investing funds commensurately with the level of risk

The quantitative disclosures required by FRS 29 have not been disclosed as they are not material.

5. Fixed Assets – other investments

	31 Dec 2013
	£'000
Balance as at 1 January 2013	**69**
Draw downs	**—**
Accrued interest	**24**
Impairment	**(93)**
Balance as at 31 December 2013	**—**

5. Fixed Assets – other investments (continued)

As part of the demerger arrangements the Company agreed to lend up to £240,000 to its former subsidiary undertaking, ReGen Therapeutics Limited (“RTL”), in the form of a convertible loan with a 10 per cent coupon. The loan was due for repayment on February 2014. RTL is an unlisted company engaged in the manufacture and sale of Colostrinin TM. NAC Lott serves as a director of RTL as a personal appointment and not as a nominee of the Company.

At the balance sheet date the loan facility of £240,000 had been fully utilised and the interest accrued thereon amounted to £58,000. On reviewing the total balance outstanding of £298,000 the directors have taken a prudent approach and have felt it appropriate that the loan should be fully provided for. The reasoning behind this decision is that RTL ‘s Colostrinin™ sales are not improving and the Company are still loss making and further funding would be required to reach a breakeven stage.

Based on the most recent price at which shares in RTL have been traded, should the Company exercise its conversion rights in relation to loan balance outstanding, the resultant equity issue would result in the Company owning approximately 42 per cent of the issued share capital of RTL.

The outstanding amount of the loan plus unaccrued interest thereon is included in investments at fair value through profit and loss because the conversion rights attaching to the loan are not considered to be a long term participating interest in the equity of RTL for the purpose of securing a contribution to the Company’s activities by the exercise of control or influence arising from or related to that interest. The Company does not exercise significant influence through active involvement or the exercise of influence in the direction of RTL, its policy decisions or decisions on strategic issues, whether relevant to the Company and its investment and conversion rights or not. When the convertible loan was issued to RTL conversion was not expected.

6. Current assets – other investments

The fair value of listed equity securities are based upon their current bid prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis, as such these are valued in accordance with tier 2 of the fair value hierarchy. The fair value of the convertible loan note (see below) is based upon cost less impairment.

	31 Dec 2013 £’000
Balance as at 1 January 2012	**16**
Additions	**155**
Disposals	**(157)**
Fair value through profit and loss	**1**
Balance as at 31 December 2012	**15**

7. Operating loss

	2013 £'000	2012 £'000
This has been arrived at after charging/(crediting):		
Staff costs (see note 8)	**48**	45
Provision against long term investment	**18**	205
Adjustment to fair value of Evergreen Oil	**—**	177
Share option charge	**21**	21
Fees payable to the Company auditor for the audit of the Company	**12**	12
Fees payable to the Company's auditor relating to taxation compliance services	**4**	4

8. Staff costs

The Company has no employees (2012: nil). Instead the former employees are hired as consultants

Directors' remuneration

The remuneration of the directors of the Company are set out below.

	2013 £'000	2012 £'000
Salaries/Fees	**48**	45
Share-based payment expense (non-cash item)	**—**	—
	48	45

Details of the nature and amount of the emoluments of each member of Key Management (Directors), including the highest paid director, for the year ended 31 December 2013 were as follows:

Director	Termination benefits £	Short-term employee benefits £	Total December 2013 £	Total December 2012 £
P W C Lomax	—	11,367	11,367	15,000
D A H Scott	—	10,367	10,367	10,000
C W Rourke	—	8,367	8,367	—
A M Gutmann	—	8,367	8,367	—
M Hicks (resigned 1 May 2013)	3,000	2,000	5,000	10,000
N A C Lott (resigned 1 May 2013)	3,000	2,000	5,000	10,000
	6,000	42,468	48,468	45,000

The outstanding options held by the Directors as at 31 December 2013 were as follows:

	31 December 2013	Exercise Price Number	From Which Exercisable	Expiry date
P W C Lomax	17,000,000	£0.001	8 February 2011	18 February 2016

No options were exercised during the year. The market price of the shares at 31 December 2013 was 0.08p and the range during the financial year was 0.08p to 0.19p

9. Segment information

There is considered to be one class of business: the selective investment in UK listed and non-listed entities and as a result there is considered to be only one reportable class of business. All turnover is derived from activities in the UK.

10. Taxation

No charge to taxation arises in the period ended 31 December 2013 (2012: nil).

No related deferred tax asset has been recognised on the losses due to the unpredictability of future profit streams. Losses may be carried forward indefinitely and may be recoverable if relevant taxable profit arises in future periods.

	2013 **£'000**	**2012** **£'000**
Loss before tax	**283**	653
Loss at the standard rate of corporation tax in the UK of 23.5% (2012 – 24.5%)	**67**	160
Effects of:		
Tax losses for which no deferred tax asset recognised	**(67)**	(160)
Total tax credit for the year	**—**	—

11. Earnings per share

The basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the period. As the Company has reported a loss for the period the shares are not diluted for the purpose of earnings per share

	Year ended 31/12/2013 **£'000**	**Year ended 30/12/2012** **£'000**
Loss attributable to equity holders of the Company – continuing	**283**	653
Weighted average number of ordinary shares in issue	**546,864,532**	428,759,150
Basic loss per share – continuing operations	**(0.05)p**	(0.15)p

12. Trade and other debtors

	2013 **£'000**	**2012** **£'000**
Prepayments	**50**	7
	50	7

This also represents the maximum credit risk exposure to the Company

The number of days sales of the Company represented by trade receivables at 31 December 2013 was Nil days (2012: Nil days)

13. Cash and cash equivalents

Cash and cash equivalents comprise of:

	2013 £'000	2012 £'000
Cash available on demand	**61**	4
Cash and cash equivalents	**61**	4

All balances are denominated in pounds sterling.

14. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	**25**	124
Accruals	**17**	12
Loan	**130**	—
Convertible loan notes	**100**	—
	272	136

The number of days purchases of the Company represented by trade payables at 31 December 2013 was 30 days (2012: 174 days).

The directors consider that the above amounts are stated at their fair value. All trade and other payables are unsecured and repayable on demand/at short notice. The Company has a policy of paying creditors within agreed terms.

On 1 May 2013 the Company agreed a loan facility with Planwise Group Limited pursuant to which it may draw down up to £200,000 for working capital purposes over the ensuing twelve months.

Interest on the balance drawn down on the Loan Facility from time to time shall accrue at the rate of 4 per cent above the Bank of England base rate.

On 19 December 2013 the Company entered into an agreement to issue £400,000 of convertible loan notes to Planwise Group Limited. The agreement is to subscribe for 1,000,000,000 £0.0004 convertible loan notes on which interest accrues quarterly at a rate of 13 per cent per annum.

Proceeds of the subscriptions for the notes are to be used exclusively for the purpose of funding the costs and expenses of the Company in connection with a possible reverse takeover ("Proposed Transaction").

The notes will be converted automatically into ordinary shares in the Company at a price of £0.0004 per share upon completion of the proposed transaction. Redemption of the notes together with outstanding accrued interest is due by 30 June 2014.

15. Share capital

	31 December 2013 £'000	31 December 2012 £'000
Called up share capital issued and fully paid		
598,284,189 ordinary shares of 0.01p each		
(2012 – 443,139,275 ordinary shares of 0.01p each)	**60**	44
13,068,521 deferred B shares of 9.99p each	**1,305**	1,305
108,121,391 deferred A shares of 4.9p each	**5,298**	5,298
	6,663	6,647

Deferred shares do not carry voting rights and have no right to receive dividends. Deferred shareholders are entitled to receive the amount paid up or credited as paid up on their respective holdings of deferred shares only after there has been paid on each ordinary share the nominal amount paid up on such share plus a further £1 per ordinary share. The holders of the deferred shares shall not be entitled to participate further in any distribution of the assets or the capital of the Company.

On 7 January 2013, the Company issued 1,501 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £7.51 pursuant to the exercise of warrants.

On 18 February 2013, the Company issued 269 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £1.35 pursuant to the exercise of warrants.

On 5 March 2013, the Company issued 73,144 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £365.72 pursuant to the exercise of warrants.

On 1 May 2013 the Company issued 155,070,000 ordinary shares of 0.01p each at a premium of 0.09p to Planwise Group Limited at a price of 0.1p per share in consideration for a portfolio of investments in Main Market quoted companies in the basic resources and oil and gas sectors, which were valued at £155,070. As a result of this transaction Planwise Group Limited became a substantial shareholder in the Company, holding 155,070,000 ordinary shares, representing approximately 25.9 per cent. of the Company's issued share capital.

16. Share based payment

The following table shows the share based payment movement in the year

	2013 Weighted average exercise price (pence)	2013 Number	2012 Weighted average exercise price (pence)	2012 Number
Outstanding at the beginning of the year	0.40	159,644,518	0.40	159,644,518
Granted during the year	—	—	—	—
Exercised during the year	—	—	—	—
Lapsed during the year	—	—	—	—
Outstanding at the year end	0.40	159,644,518	0.40	159,644,518

Of the total number of options outstanding at the end of the year none had vested (2012 – none).

	2013 £'000	2012 £'000
The share-based remuneration expense comprises:		
Equity-settled schemes	21	21

No share based payments were entered into during the year.

17. Reconciliation of Movement in Shareholders Funds

	Share capital £'000	Share premium £'000	Share Based payment reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2012	6,643	14,286	86	(20,490)	525
Loss for the year	—	—	21	(653)	(632)
Issue of shares net of costs	4	63	—	—	67
As at 31 December 2012	6,647	14,349	107	(21,143)	(40)
Loss for the year	—	—	21	(283)	(265)
Issue of shares net of costs	16	140	—	—	156
As at 31 December 2013	6,663	14,489	128	(21,426)	(146)

18. Reconciliation of operating loss to net cash outflow from operating activities

	2013 £'000	2012 £'000
Loss before taxation	**(283)**	(653)
Share option charge	**21**	21
Fair value adjustment	**(1)**	181
(Increase)/Decrease in debtors	**(43)**	—
Increase in creditors	**136**	36
Provision against investment	**93**	205
Interest receivable	**—**	—
Net cash outflow from operating activities	**(77)**	(210)

19. Analysis of net funds

	31 December 2012 £'000	Cash flow £'000	Other non-cash changes £'000	31 December 2013 £'000
Net funds				
Cash at bank and in hand	4	57	—	**61**
	4	57	—	**61**

20. Reconciliation of net cash flow to movement in net funds

	2013 £'000	2012 £'000
(Decrease)/increase in cash in the period	**57**	(29)
Net funds at 1 January	**4**	33
Net funds at 31 December	**61**	4

21. Related party transactions

Details of directors' remuneration are given in note 8 to the accounts and there are no additional key management personnel within the business.

As part of the demerger arrangements the Company agreed to lend up to £240,000 to its former subsidiary undertaking, RTL, in the form of a convertible loan with a 10 per cent coupon and interest has been accrued for in these accounts. NAC Lott, who was a director of the Company, serves as a director of RTL as a personal appointment and not as a nominee of the Company.

As compensation for the arrangement and structuring of the demerger on 18 February 2011 Alexander David Securities received on completion of the Demerger a warrant to subscribe for 29.9% of the share capital of the Company in issue following the placing. M Hicks and D Scott, directors of the Company serve as directors of Alexander David Securities.

The Company agreed a loan facility with Planwise Group Limited pursuant to which it may draw down up to £200,000 for working capital purposes over the ensuing twelve months. Interest on the balance drawn down on the Loan Facility from time to time shall accrue at the rate of 4 per cent. above the Bank of England base rate.

The Company entered into an agreement to issue £400,000 of convertible loan notes to Planwise Group Limited on which interest accrues quarterly at a rate of 13 per cent per annum. (see note 14)

21. Related party transactions (continued)

Planwise is a related party on account of its substantial shareholding in the Company. Accordingly, the Loan Facility and convertible loan notes are related party transactions as defined in the AIM Rules. The Directors of ADI consider, having consulted with Cairn Financial Advisers LLP, the Company's nominated adviser, that the terms of these transactions are fair and reasonable insofar as the Company's shareholders are concerned.

Other related party transactions are as follows:-

Related party relationship	Type of transaction	Transaction amount 2013 £'000	Transaction amount 2012 £'000	Balance owed/(owing) 2013 £'000	Balance owed/(owing) 2012 £'000
Beaufort Securities	Provision of broking services (Note 1)	13	–	5	—

Note 1 – The provision of services through Beaufort Securities of which C W Rourke and A M Gutmann are employees.

There is no ultimate controlling party.

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