

13 December 2016

AVARAE GLOBAL COINS PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2016

Avarae Global Coins plc (“Avarae” or the “Company”) is pleased to present its unaudited interim results for the six months to 30 September 2016.

Financial highlights for the period include:

- Sales for the six month period of £2.17 million (H1 2015: £0.72 million);
- Net asset value per share of 14.5p at the period end (30 September 2015: 14.5p);
- Carrying value of coin inventory of £9.13 million at the period end (H1 2015: £10.96 million);
- Net cash balance of £2.39 million at the period end (H1 2015: £0.85 million); and
- Loss on ordinary activities for the period of £0.09 million (H1 2015: loss £0.18 million).

Operational highlights for the period include:

- Announced tender offer to purchase up to 20% of the Company’s shares at 11.5p each; and
- Announced intention to de-list from the AIM market of the London Stock Exchange in order to reduce costs and return cash to shareholders in as cost effective way possible.

Post period end highlights include:

- Shareholders approved de-listing from AIM at Avarae’s EGM on 13 October 2016; and
- Shareholders validly tendered more than 9.03 million shares under the tender offer for an aggregate purchase price of £1.04 million;

Commenting, Nigel Gautrey, Director of Avarae, said:

“The period under review has been dominated by the Shareholders’ approval of the Company’s delisting from AIM and the strategy to return cash to shareholders in the most cost effective way possible. At the date of this report, the Company’s ongoing monthly administration costs have reduced by more than 40 per cent. from the same period last year and the Company currently has net cash of approximately £1.6 million. It is our intention to carry out further buy backs of the Company’s shares during 2017 and we will be contacting shareholders in this regard in due course.”

We are hopeful that the second half of the financial year will, like the first half, generate strong levels of sales. It is always our intention to try to sell our stock at prices which are at least at or above, those included in our last audited accounts in order to maximise returns’ to shareholders.”

Unaudited Income Statement

From 1 April 2016 to 30 September 2016

	1 April 16 to 30 Sept 16	1 April 15 to 30 Sept 15	1 April 15 to 31 Mar 16
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
<i>Note</i>	£'000	£'000	£'000
Revenue			
Sales	2,174	723	768
Cost of Sales	(2,127)	(699)	(739)
Coin revaluation	-	-	220
	<hr/>	<hr/>	<hr/>
Gross profit	47	24	249
Administrative expenses	(134)	(204)	(319)
	<hr/>	<hr/>	<hr/>
(Loss) on ordinary activities before:	(87)	(180)	(70)
Finance income	-	-	1
	<hr/>	<hr/>	<hr/>
(Loss) on ordinary activities before tax	(87)	(180)	(69)
Tax on (loss) on ordinary activities	-	-	-
	<hr/>	<hr/>	<hr/>
(Loss) on ordinary activities after taxation	(87)	(180)	(69)
Dividends	-	(121)	-
	<hr/>	<hr/>	<hr/>
Retained (loss) for the period	(87)	(301)	(69)
	<hr/>	<hr/>	<hr/>
(Loss) per share	2 (0.11)p	(0.22)p	(0.09)p

There were no recognised gains or losses other than the loss for the period.

Unaudited Balance Sheet

As at 30 September 2016

		As at 30 Sept 16	As at 30 Sept 15	As at 31 Mar 16
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Note</i>	£'000	£'000	£'000
Assets				
Current Assets				
Coin inventory	3	9,125	10,956	11,200
Trade and other receivables	4	276	45	55
Cash at bank		2,385	850	571
		<hr/>	<hr/>	<hr/>
Total Assets		11,786	11,851	11,826
		<hr/>	<hr/>	<hr/>
Liabilities and Equity				
Creditors: amounts falling due within one year	5	62	151	15
		<hr/>	<hr/>	<hr/>
Total Liabilities		62	151	15
		<hr/>	<hr/>	<hr/>
Equity				
Called up equity share capital	6	808	808	808
Share premium		8,880	8,880	8,880
Profit and loss account		2,036	2,012	2,123
		<hr/>	<hr/>	<hr/>
Total Equity Shareholders' Funds		11,724	11,700	11,811
		<hr/>	<hr/>	<hr/>
Total Liabilities and Equity		11,786	11,851	11,826
		<hr/>	<hr/>	<hr/>

Nigel Gautrey

Matt Wood

Unaudited Cash Flow Statement

From 1 April 2016 to 30 September 2016

	1 April 16 to 30 Sept 16	1 April 15 to 30 Sept 15	1 April 15 to 31 Mar 16
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£' 000
Cash flows from operating activities:			
(Loss) for the period	(87)	(180)	(69)
Adjustments for:			
Increase/(decrease) in payables	47	24	(113)
(Increase)/decrease in receivables	(221)	60	50
Decrease/(increase) in inventory	2,075	185	(59)
Net cash flow from operations	1,814	89	(191)
Interest received	-	-	1
Net cash received from investing activities	-	-	1
Dividends paid	-	(121)	(121)
Net cash from financing activities	-	(121)	(121)
Net increase / (decrease) in cash and cash equivalents	1,814	(32)	(311)
Opening cash position	571	882	882
Closing cash and cash equivalents	2,385	850	571

Notes to the Unaudited Interim Financial Statements:

(1) Accounting policies

Basis of accounting

The unaudited interim financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The accounting policies and methods of computation in the unaudited interim financial statements are the same as those of the audited financial statements for the year ended 31 March 2016.

(2) Earnings per share

The loss per share for the period was 0.11p (H1 2015: loss of 0.22p). The calculation of loss per share is based on the loss on ordinary activities after taxation of £87,000 for the period (H1 2015: loss of £180,000) and the weighted average number of shares in issue during the period under review remained unchanged at 80,783,334 (2015: 80,783,334).

(3) Coin inventory

At the end of each financial year, the coin inventory is re-valued to market value less the VAT payable on sale. Inventory purchased since 31 March 2016 is included at its original cost price and under the current valuation policy has not been the subject of any revaluations. The valuation of the portfolio held as at 31 March 2016 was carried out by industry experts and only those coins held by the Company for at least 12 months were the subject of a revaluation exercise. This is considered by the Directors to give a fair value for the inventory. The Directors anticipate undertaking a further revaluation exercise for the coming financial year end.

(4) Trade and other receivables

	As at 30 Sept 16 <i>Unaudited</i> £'000	As at 30 Sept 15 <i>Unaudited</i> £'000	As at 31 Mar 16 <i>Audited</i> £'000
Trade debtors	259	-	23
Prepayments and other debtors	17	45	32
	<hr/>	<hr/>	<hr/>
Total	276	45	55
	<hr/>	<hr/>	<hr/>

(5) Payables

	As at 30 Sept 16 <i>Unaudited</i> £'000	As at 30 Sept 15 <i>Unaudited</i> £'000	As at 31 Mar 16 <i>Audited</i> £'000
Trade creditors	8	143	5
Accrued expenses	18	8	10
Other Creditors	36	-	-
	<hr/>	<hr/>	<hr/>
	62	151	15
	<hr/>	<hr/>	<hr/>

All creditors are due within one year.

(6) Share capital

	As at 30 Sept 16	As at 30 Sept 15	As at 31 Mar 16
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£'000
Authorised			
Ordinary shares of £0.01 each	2,000	2,000	2,000
	_____	_____	_____
Allotted, called up and fully paid			
Ordinary shares of £0.01 each	808	808	808
	_____	_____	_____

Since the period end to the date of this report, pursuant to the Company's tender offer, which was announced on 19 September 2016, the Company's shareholders validly tendered 9,027,441 ordinary shares of £0.01 each ("Ordinary Shares"). These Ordinary Shares were subsequently purchased for cancellation by the Company at a price of 11.5 pence each for an aggregate purchase price of £1,038,156. Accordingly, as at the date of this report, the Company had 71,758,893 Ordinary Shares in issue.

It is the Directors' stated strategy to continue to purchase additional shares for cancellation as a cost effective way to return cash to shareholders.

(7) Preparation of the Interim Report

This report was approved by the Directors on 13 December 2016.

The results for the period ended 30 September 2016 are unaudited and do not constitute statutory accounts as defined in the Companies Act.

Additional copies of this report are available from the Company's registered office, 14 Athol Street, Douglas, Isle of Man, IM1 1JA or via the Company's website www.avarae.com.