

**Auctus Growth plc**

**17 August 2015**

**Auctus Growth plc ('Auctus', the 'Company')**

**INTERIM ACCOUNTS**

Dear Shareholder,

I present the Chairman's report for the financial period ending 30 June 2015, where the Company reported a net loss of £100,253 and as at 30 June 2015 had liquid cash balances of £1,015,439.

During this financial period, and in particular since the announcement of 22 April 2015 the board has been focused on progressing the Proposed Acquisition of a social media platform.

Regrettably and since the end of the financial period the Auctus board has withdrawn from the negotiations in relation to the Proposed Acquisition. After careful consideration the board opined that proceeding with the transaction would not be in the best interests of the Auctus shareholders.

The Board will provide further updates to shareholders in due course in regard to the future plans for the Company.

Malcolm Burne  
Chairman

17 August 2015

**AUCTUS GROWTH PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Notes	1.1.15 to 30.6.15	14.6.14 to 31.12.14
		£	£
<b>NET TRADING INCOME</b>		-	-
		-----	-----
<b>Other operating expenses</b>		(100,253)	(41,081)
		-----	-----
<b>Total operating expenses</b>		(100,253)	(41,081)
		-----	-----
<b>OPERATING LOSS</b>		(100,253)	(41,081)
<b>Finance income</b>		-	1,431
		-----	-----
<b>LOSS BEFORE TAXATION</b>		(100,253)	(39,650)
<b>Income tax expense</b>		-	-
		-----	-----
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		(100,253)	(39,650)
		=====	=====
<b>Earnings per share (pence) – basic and fully diluted</b>		(2.88)p	(2.73)p
		=====	=====

**AUCTUS GROWTH PLC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Notes	At 30.6.15 £	At 31.12.14 £
<b>CURRENT ASSETS</b>			
Trade and other receivables		6,854	34,126
Cash and cash equivalents		1,015,439	1,096,820
		-----	-----
		<b>1,022,293</b>	<b>1,130,946</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		(9,600)	(18,000)
		-----	-----
<b>NET CURRENT ASSETS</b>		<b>1,012,693</b>	<b>1,112,946</b>
		-----	-----
<b>NET ASSETS</b>		<b>1,012,693</b>	<b>1,112,946</b>
		=====	=====
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Share capital	9	244,000	244,000
Share premium account		886,465	886,465
Share-based payment reserve		22,131	22,131
Retained earnings		(139,903)	(39,650)
		-----	-----
<b>TOTAL EQUITY</b>		<b>1,012,693</b>	<b>1,112,946</b>
		=====	=====
<b>Net asset value per share (basic)</b>		<b>41.50p</b>	<b>45.61p</b>
		=====	=====

**AUCTUS GROWTH PLC**

**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Notes	1.1.15 to 30.6.15 £	14.6.14 to 31.12.14 £
<b>Net cash outflow from operating activities</b>		<b>(81,381)</b>	<b>(57,207)</b>
		-----	-----
<b>Cash flows from financing activities</b>			
Share issue proceeds		-	1,220,000
Share issue costs		-	(67,404)
		-----	-----
		-	1,152,596
		-----	-----
<b>Cash flows from investing activities</b>			
Finance income		-	1,431
		-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(81,381)</b>	<b>1,096,820</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,096,820</b>	<b>-</b>
		-----	-----
<b>Cash and cash equivalents at end of period</b>		<b>1,015,439</b>	<b>1,096,820</b>
		=====	=====

AUCTUS GROWTH PLC

STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Share capital	Share premium	Share -based payment reserve	Retained earnings	Total
	£	£	£	£	£
<b>Period from 14 May 2014 to 31 December 2014</b>					
Issue of shares	244,000	976,000	-	-	1,220,000
Costs of share issue		(67,404)			(67,404)
Loss for period	-	-	-	(39,650)	(39,650)
Share-based payment charge	-	(22,131)	22,131	-	-
<b>At 31 December 2014</b>	<u>244,000</u>	<u>886,465</u>	<u>22,131</u>	<u>(39,650)</u>	<u>1,112,946</u>
<b>Period from 1 January 2015 to 30 June 2015</b>					
Loss for period	-	-	-	(100,253)	(100,253)
<b>At 30 June 2015</b>	<u>244,000</u> =====	<u>886,465</u> =====	<u>22,131</u> =====	<u>(139,903)</u> =====	<u>1,012,693</u> =====

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**1. GENERAL**

The interim financial information for the six month period ended 30 June 2015 are unaudited and were approved by the Directors of the Company on 17 August 2015. The condensed financial information set out above does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The financial information contained in this report in respect of the annual financial statements for the period ended 31 December 2014 has been extracted from the report and financial statements for that period which have been filed with the Registrar of Companies. The report of the auditors on those accounts did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and was not qualified.

The interim financial information is unaudited and has not been reviewed by the auditors.

The Company's operations are not subject to seasonality or cyclicity.

No dividend has been declared or paid in this interim period.

**2. ACCOUNTING POLICIES**

**Basis of measurement**

The financial statements have been prepared on a historical cost basis. All amounts are shown in sterling, the Company's functional currency.

**Trading income**

Trading income is recognised to the extent that it is probable that economic benefit will flow to the Company and the trading income can be reliably measured.

**Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash, subject to insignificant risk of changes in value, and have a maturity of less than 3 months from the date of acquisition.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits.

**Taxation**

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred income tax**

Deferred income tax is provided for using the liability method on temporary timing differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary

**2. ACCOUNTING POLICIES (continued)**

deferred income tax differences, and carry-forward of unused tax credits and unused losses can be utilised.

The carrying amount of deferred income tax assets is assessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

**Share-based payments**

Certain services have been provided to the Company in exchange for equity-settled share-based payments.

The cost of equity-settled transactions is determined with reference to the fair value at the date on which they were granted. The fair value is determined by using the Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the grantees 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 dilutive effect of the outstanding options is reflected as additional dilution in the computation of earnings per share.

**Financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a contractual party to the instrument.

**Trade receivables**

Trade receivables are recognised initially at their fair value which equates to their nominal value as reduced by appropriate provision for irrecoverable amounts and subsequently at amortised cost.

**Trade payables**

Trade payables are recognised initially at their fair value and subsequently at amortised cost.

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**Equity**

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums on the initial issuing of share capital. Any transaction costs associated with the issue of shares are deducted from the share premium account. The share-based payment reserve arises from the charge associated with the issue of share options.

**2. ACCOUNTING POLICIES (continued)**

**Accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions in certain circumstances that affect reported amounts. The most sensitive estimate affecting the financial statements is the area of share-based payments. Actual outcomes may therefore differ from these estimates and assumptions.

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, judgment 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 of the exercise of options and the future volatility in the price of the Company's shares.

Such assumptions are based on publicly available information and reflect market expectations. Different assumptions from those used (which are disclosed in note 10) could materially affect the reported value of share-based payments. The Company has recognised a corresponding increase in equity in accordance with IFRS 2: Share-based payments by crediting "Share-based payment reserve" (a component of equity) for the grant the share options.

**New and amended standards**

Various new or revised accounting standards have been issued which are not yet effective, including FRS15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. Neither of these has yet been endorsed by the European Union. Our initial assessment is that they are unlikely to have a significant impact on the Company.

**3. CASH FLOWS FROM OPERATING ACTIVITIES**

	<b>1.1.15 to 30.6.15</b>	<b>14.6.14 to 31.12.14</b>
	£	£
Loss before taxation	<b>(100,253)</b>	<b>(39,650)</b>
Adjustments for:		
Finance income	-	<b>(1,431)</b>

**AUCTUS GROWTH PLC**

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	<u>(100,253)</u>	<u>(41,081)</u>
Decrease in receivables	<b>27,272</b>	<b>(34,126)</b>
(Decrease)/increase in payables	<b>(8,400)</b>	<b>18,000</b>
	<u>(81,381)</u>	<u>(57,207)</u>
Net cash outflows from operating activities	<u><b>(81,381)</b></u>	<u><b>(57,207)</b></u>

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**4. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Basic Earnings per share	Earnings	Weighted average number of shares	Per-share amount (pence)
	£	No	
Earnings per share attributed to ordinary shareholders	<u>(100,253)</u>	<u>,440,000</u>	<u>(4.11)p</u>

The Company has made a loss and, accordingly the effect of the share options is anti-dilutive.

**5. NET ASSET VALUE PER SHARE**

The “basic” net asset value per share figures are calculated on the basis of the net assets attributable to equity shareholders divided by the number of ordinary shares in issue at the relevant dates of 2,440,000 (31 December 2014: 2,440,000).

**6. SHARE CAPITAL**

**Allotted, called up and fully paid:**

	At 30.6.15	At 31.12.14
	£	£
2,440,000 Ordinary shares of £0.10 each	<u>244,000</u>	<u>244,000</u>

**7. COPIES OF INTERIM REPORT**

Copies of the interim report are available to the public free of charge from the Company at 18 Pall Mall, London SW1Y 5LU during normal office hours, Saturdays and Sundays excluded, for 14 days from today and are available on the website at [www.auctusgrowthplc.co.uk](http://www.auctusgrowthplc.co.uk).