ONLINE BLOCKCHAIN PLC

Annual Report 2018

FOR THE YEAR ENDED

30 JUNE 2018

Registered Number: 3203042 (England and Wales)

CONTENTS OF THE FINANCIAL STATEMENTS

DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)

Clement Chambers (Chief Executive Officer)

Jonathan Mullins

William Louden (appointed 23 February 2018)

Secretary

Michael Hodges

Registered Office

Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA

Independent Auditor

Grant Thornton UK LLP, St John's House, Haslett Avenue West, Crawley, RH10 1HS

Nominated Adviser

Beaumont Cornish Limited, 10th Floor, 30 Crown Place, London EC2A 4EB

Broker

Throgmorton Street Capital Limited, 26 Throgmorton Street, London, EC2N 2AN

Solicitors

Field Fisher Waterhouse, 35 Vine Street, London, EC3N 2AA

Registrars

Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA

Company number: 03203042

CEO'S STATEMENT

Earlier in the financial year we changed our name to Online Blockchain to reflect our focus on developing Blockchain projects.

In 2018, the Blockchain bubble burst and the market price for Crypto-assets has fallen back a long way. While this is undoubtably disappointing in the short term, we firmly believe Blockchain technology has a huge future.

The recent market development in crypto-assets is in many ways reminiscent of the internet boom of the late 1990s, and bust in the early 2000s, which some third-party commentators find as a cause for concern, yet today some of those first dotcom companies developing products at that time, such as Amazon, are now the giants of the technology and stock market world of today. As such we feel this is a chance to be at the forefront of a new technological revolution which offers a chance to develop something with exciting potential.

Blockchain development is where our current focus lies and will be for the foreseeable future. We believe that if we can create a "hit product" early-on in the development of the Blockchain industry, then that creates the potential to make a high return. This is of course not a foregone conclusion as our products are at an early stage of commercialisation and other than some very small crypto mining activities, we have not yet earned our first revenue, but we believe that the projects we have in development have the potential in an emerging market that has many growth cycles ahead of it.

We think that eventually Blockchain will be a giant industry and we are building a business to grow into this "once-in-a-generation" opportunity.

Since the beginning of the year we have announced and developed several coins, PlusOne, Brazio, Buenos, Manila and Veggi. These coins form the basis for development of various cryptocurrency projects. We have also developed Happypool, a cloud mining pool which is part of the ecosystem Online Blockchain is building.

PlusOne Coin, Online Blockchain's initial project, is a cryptocurrency that financially rewards social media community activity and was first launched on ADVFN and IHub (InvestorsHub). PlusOne Coin is a marketing tool rewarding audience retention with coins. PlusOne Coin has helped increase ADVFN advertising revenue and PlusOne Coin's price has risen from a low of 2c a coin in May to 9c a coin in November and is one of the few cryptocurrencies that has seen an uptrend in price over the last 6 months. While still in its early stages, PlusOne Coin has generated Online Blockchain a small amount of fiat income from amounts it has circulated in the market.

Online Blockchain has also built a small mining facility which we primarily consider as a laboratory for research and development. While providing a useful testbed for our projects, our facility has also generated some revenue from mining activities. While these revenues are barely material for now, it is nice to earn revenue as a spin-off from what is essentially an overhead for building-out and supporting our emerging products.

Our coins are currently listed on the following exchanges:
PlusOne: Cryptobridge and Tradesatoshi
Brazio: Southexchange and Bigbitex
Buenos: Southexchange
Veggi: Crex24, Cryptobridge, Southexchange
Manila: Unlisted

The focus on involvement in crypto and blockchain projects has required investment of both money and management time. This has meant an increase in costs which has, this year, resulted in Online Blockchain making a loss. However, we expect that in the foreseeable future, we will see this reversed and look forward to the company being at the centre of a blossoming blockchain industry in the future

The Group's turnover for the year was £56,000 (2017: £98,000) giving a loss before tax of £188,000 (2017: profit of £62,000).

The Company's financial performance for the year and Key Performance Indicators are analysed in the Strategic Report.

CHANGE OF COMPANY NAME

On 26 October 2017 it was announced that the Board intended to change the name of the Company to Online Blockchain Plc. This was proposed and passed at the Annual General Meeting on 15 December 2017.

CHANGE OF NOMINATED ADVISOR

On 26 October 2017 a new Nominated Advisor was appointed; Beaumont Cornish Limited.

EVENTS AFTER THE BALANCE SHEET DATE

As we announced in August 2018, we have agreed to invest in Encrypted Gaming Inc, a talented development group building games on the Ethereum Blockchain.

More information on this project is available on the company website.

www.onlineblockchain.io

INVESTMENT IN ADVFN plc

Online Blockchain Plc carries an investment of around 18% in ADVFN Plc and this is the most significant investment for the Company. The activity of ADVFN Plc is therefore of prime importance to the Company and some information concerning its performance is noted below:

EXTRACT FROM THE ADVFN plc CHIEF EXECUTIVE'S STATEMENT

The financial year 2017/18 was a very interesting and challenging year, one that has seen us add significant upside potential to ADVFN. 2017 was the year of Bitcoin, which saw Cryptocurrency and blockchains explode on to centre stage of the financial markets. While even at the peak around Xmas of 2017 the Cryptocurrency market was a tiny market in comparison with forex and equities markets, it is of huge interest to the global private investor.

This year we took advantage of these opportunities and have positioned ourselves in the US and UK market with a strong cryptocurrency information offering which has since become stronger since the year end.

We have an operating profit of £384,000 (£47,000 in 2017), a solid improvement. Sales are up to £9,201,000 (£8,186,000 in 2017) and this is a strong result in the circumstances.

The timing of the Bitcoin bubble was fortunate as private investor interest in equities has been at an all-time low. It is perverse but our business in equities flourishes best when the market crashes and our customers are hurt by corrections and crashes. In strong markets investor complacency is not good for our business and we rely on the diversified nature of our sales to maintain revenue.

Happily, we were able to sail past these equity doldrums powered by a compensating tailwind of Cryptocurrency information traffic. Cryptocurrency information for the likes of Bitcoin and Ethereum is a new category of financial information and one we are excited about.

We are very bullish about the potential of future demand for Cryptocurrency information and feel this can be a business multiplier for us in the next 3-5 years. As you will see from the figures, we have made the investment in technology and skills to master and provide this information, without the costs materially affecting our bottom line and you can see for yourself the quality of our offering on the ADVFN and Investorshub website. This is the platform from which we are building out our Blockchain information offerings which we believe can be as lucrative as our equity offerings.

Equities and Blockchain have distinct audiences and we find the combination exciting. We believe our market potential just grew significantly and that we can grow to fill it.

EXTRACT FROM THE ADVFN plc STRATEGIC REPORT

Our product, which is our website, can be seen at www.advfn.com. Operating our websites is very technically challenging and is subject to constant maintenance and engineering.

With the advent of the Blockchain and Cryptocurrencies we have now added a new segment to the website to cater for the need of the global cryptocurrency audience for timely and accurate data. We expect this to expand the audience and traffic of our sites.

For our UK audience Brexit will be on most people's agenda over the next year and perhaps several years. We believe this market stressing event could create increased interest in the markets in the UK which is a very important market for us. ADVFN's information sites are important windows onto world markets that private investors around the world use to help manage their investing and trading and we see opportunities for growth in providing these sites.

Turnover has grown substantially in the last year and, as has happened in previous years, the growth in the headcount has been in parallel. This underlines the importance of having the talented staff available in the company when there are opportunities to expand. Our registered users go on increasing and provide us with a ready market for the new products we are able to offer.

SUMMARY OF ADVFN'S KEY PERFORMANCE INDICATORS

	2018 Actual	**2018 Target**	2017 Actual	2017 Target
Turnover	£9.2M	£8.5M	£8.2M	£8.0M
Average head count	46	40	32	35
ADVFN registered users	4.5M	4.2M	4.0M	3.8M

Clement Chambers
CEO
9 November 2018

Corporate Governance Report

The Board considers the principles and recommendations contained in the QCA Code are appropriate and have therefore chosen to apply the QCA Code. The updated 2018 QCA Code has 10 principles that should be applied. Each principle is listed below together with an explanation of how the Company applies or otherwise departs from each of the principles.

Principle One
Business Model and Strategy
Online Blockchain PLC (the "Company") works as an incubator and investor in internet and information businesses. The Company is currently focusing on blockchain technology development. The Company's business model is to establish new blockchain related ventures, using the Company's inhouse technology expertise and working with partners to create customer demand and interest in the Company's projects.

The Company also owns 17.98% of ADVFN PLC, www.advfn.com, a leading supplier of financial data, and has partnered with ADVFN on the development of certain blockchain products. OBC's links with ADVFN provide an opportunity for both, with ADVFN offering instant access to a relevant audience and OBC's blockchain platform offers ADVFN an opportunity to broaden its monetisation.

The Company's development of blockchain products are still at an early stage of development, but the Board anticipates that as blockchain becomes more generally accepted as a technology, that the Company will have the opportunity to monetise its current initiatives.

Principle Two
Understanding Shareholder Needs and Expectations
The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its brokers and shareholders. Investors also have access to current information about the Company via our IR website.

Principle Three
Considering wider stakeholder and social responsibilities
The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders.

Principle Four
Risk Management
In addition to its other roles and responsibilities, the Audit Committee and Finance team are responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Security	Hacking / theft	Loss of hardware / data and or Crypto assets	Warm and Cold wallets On line and Off line. Alternative hosting.
Strategic	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders Secure off-site storage
	Inadequate disaster recovery procedures	Loss of key operational and financial data	

Activity	Risk	Impact	Control(s)
Financial	Liquidity, market and credit risk	Inability to continue as going concern Reduction in asset values	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Appropriate authority and investment levels Audit Committee and Finance Team

An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control is exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five
A Well Functioning Board of Directors
As at the date hereof the Board comprised the executive Chairman Michael Hodges, CEO Clement Chambers, CFO and CTO Jonathan Mullins, and Non-Executive Director, William Louden. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. All the Directors including the Non-Executive Director are considered to be part time but are expected to provide as much time to the Company as is required.

The Board meets throughout the year. It has established a Finance team together with an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. William Louden is considered to be an Independent Director. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. While the Board considers that, to date, the Board composition (including the executive role of the Chairman and the single non-executive director) has been appropriate for the Company given the size of the business, the board will review further appointments as scale and complexity grows and in particular, the potential appointment of an additional second independent non-executive director to meet the QCA recommendation.

Principle Six
Appropriate Skills and Experience of the Directors
The Board currently consists of Four Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Director's has experience in public markets.

The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Clement Chambers
Chief Executive Officer
Co-founder of Online Blockchain plc, ADVFN plc and All IPO plc, Clement Chambers has been involved in the software industry for over 35 years as a pioneer of computer games, massively multiplayer games, multimedia and the internet. He is also director of ADVFN plc. He has written investment columns for Wired Magazine, Forbes, The Business, The Scotsman and broadcasts on investment matters for SKY News, CNBC and the BBC. Chambers takes an active role in all aspects of the company, from product and staff development to revenue generation and the day-to-day running etc. He is a member of the Remuneration Committee. He has been a Non-Executive Director of Avarae Global Coins PLC since November 2010.

Michael Hodges
Chairman
Co-founder of Online Blockchain plc, Michael Hodges has over 35 years experience in computer software development and publishing, while working with multi-user and Internet projects for many years. He co-founded Online Blockchain plc, ADVFN plc and All IPO plc. He is currently Chairman of ADVFN plc and a director of All IPO plc. Michael has responsibility for all legal and contractual issues and general business development. He is a member of the Audit Committee and of the Remuneration Committee and part of the Finance team.

Jonathan Mullins
CFO & CTO
Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 20 years. He is responsible for the entire technical department of Online Blockchain and has overseen the growth of the companies technology since its early days, including the development of its proprietary service. As CFO Jonathan is head of the Finance team and chairs the Audit Committee.

William Louden
Non Executive Director
Ex President of GE global consumer business unit with operations in Japan, the UK and Currently, Director, International Business Institute, Department Chair, International Business at Austin Community College, and Professor of Digital Media at St. Edward's University, Mr Louden has been teaching since 2002.

As an early developer and participant in online computing and a long-time interactive services industry executive, Mr Louden has over 30 years of experience in internet products and services, including electronic commerce and billing systems, interactive games, and new product design and development. He was formerly president of a GE online strategic business unit, senior vice president at Delphi Internet leading a UK Internet startup operations for News Corp, President and COO at Preference Technologies, a public B2B Internet services company, and Founder and CEO at Peer Forward, a data mining software company.

Between 1979 and 1984 at Compuserve, Mr Louden was responsible for personal computing and communication product lines, including InfoPlex, a CompuServe commercial store and forward system, which was re-designed and developed under William as a consumer product, renamed as “EMAIL” and launched in 1981 (and subsequently trademarked by Compuserve between 1983 and 1984). Mr Louden is particularly recognised for his role in leading the development and commercialisation of multi-player games at Compuserve (and thereafter as founder of the GEnie online service at General Electric), including MegaWars, the first commercial multi-player online game. Mr. Louden has provided consulting services including market entry analysis, planning, product design, operations management, and/or intellectual property evaluations for various clients including U.S. West, News Corporation, Sony, Electronic Arts, and other entertainment companies.

Principle Seven
Evaluation of Board Performance
Internal evaluation of the Board, the Committees and individual Directors is to be undertaken in the form of appraisal and discussions to determine the effectiveness and performance as well as the Directors' continued independence.

Principle Eight
Corporate Culture
The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine
Maintenance of Governance Structures and Processes
Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee
During the financial year ended 30 June 2018 the Audit Committee has been chaired by Jonathan Mullins. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee has unrestricted access to the Company's auditors.

Remuneration Committee
The Remuneration Committee comprises Clement Chambers and Michael Hodges. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors
The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten
Shareholder Communication
The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company though its website, www.onlineblockchain.io, and via Clement Chambers, CEO, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 30 June 2018.

The strategy for the Group is that of an incubator and developer of businesses in internet and information-based technologies including developers, administrators and custodians of blockchains and cryptocurrencies.

We created ADVFN www.advfn.com and today we still have a holding of 17.98% in ADVFN plc.

Online Blockchain plc continues to consider new related opportunities and particularly crypto currencies and blockchain opportunities.

Principal risks and uncertainties
The management of the Company and the nature of the Company's strategy are subject to a number of risks. The directors have set out on page 5 and below, the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

The principal risks and uncertainties around our involvement in crypto-currency are that it remains an unregulated market which means that it will be unpredictable. In addition, the market is not liquid except in the case of the big players such as Bitcoin which means that, for the smaller players, transfer between crypto and fiat currencies may be difficult.

As has been demonstrated in the recent past, the relationship between crypto currencies and fiat currencies has been extremely volatile. It is also uncertain where the current interest in crypto currencies will take the market. It may be that it will become a major industry central to the economies of the world or the interest we currently see may not develop as we had hoped.

Economic downturn
The success of the world's stock markets might affect the business given the sector ADVFN operates in. Many things around the world can affect a stock market from war to human error. As far as the UK is concerned Brexit will be at the forefront of most people's thoughts for the next year at least. This could create market upsets and turmoil. All things that in the past have been good for ADVFN as its customers want to know what is happening in the market.
However, the US Dollar and Euro exchange rates could be affected in aftermath of Brexit, there is still a lack of confidence and a risk of volatility.

High proportion of fixed overheads
A large proportion of the Company's overheads are fixed. There is the risk that any significant changes in revenue may lead to the inability to cover such costs. We closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented on a constant review basis.

Performance
The performance of the Company is closely linked to ADVFN plc. The Company supplies management services and makes advertising recharges to ADVFN which forms the turnover of the Company. As a result of this reliance the extract of the ADVFN accounts on page 4 will give necessary information and background on the factors affecting the performance of the Company. For the future we will look forward to our investments in Blockchain bearing fruit.

The following financial KPIs may prove helpful:

	2018 Actual	2018 Target	2017 Actual	2017 Target
Turnover (£'000)	56	90	98	90
Operating (loss)/profit (£'000)	(258)	12	20	12
Basic (loss)/earnings per share (pence)	(2.32 p)	0.16 p	0.81 p	0.16 p

The financial indicators are designed to offer a dashboard check of the significant measures of the company's operations. The change in focus during the current year has meant a short-term downturn in these Key Performance measures.

The company does not currently monitor non-financial KPI's and will do so when they can offer additional clarity to the financial performance measures.

STRATEGIC REPORT (continued)

Operating costs
Our costs remain reasonably fixed and predictable and we do not see that changing in the immediate future. They are firmly under control.

Fund raising
On 10 January 2018 the Company raised £1,000,000 following the placement of 1,000,000 new Ordinary Shares of 5p each at 100p. The proceeds of the placing will be used to provide general working capital for the Company and to provide additional resources to invest further in the development of block-chain projects.

Research and development
We believe in trying to get the best from all areas that we work in. It is very important that Online Blockchain and ADVFN continue to invest in the quality and design of our products. We believe continued investment in our research and development is fundamental to the continuing growth of the business.

Environmental policy
This has always been important to the Company and as a whole we continue to look for ways to develop our environmental policy. We have a very small footprint and try to reduce any waste we create; we are a small team which makes this task easier. Most of our communications are electronic which again cuts our use of non-environmentally friendly products.

Future developments for the business
We feel that there will be opportunities with the Blockchain and with Crypto currencies and as a result we have made the significant move to add two subsidiaries to our group to enable us to grasp these opportunities to the best effect. This investment has given rise to expenditure in assets (computer equipment) and in management time and our results, in the short term, will reflect this.

It is also right that we continue to work with our investment in ADVFN and assist it with its growth as well. The prospect of ADVFN continuing to grow in the medium term provides the incentive to go on concentrating on this business in the immediate future.

Should other investment opportunities present themselves the Directors will investigate them appropriately.

Approved and signed on behalf of the Board of Directors

Clement Chambers
CEO
9 November 2018

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Group is that of an incubator and investor in technology companies including internet and information businesses, developers, administrators and custodians of blockchains and cryptocurrencies.

TRANSITION TO IFRS

Groups of companies listed on AIM at the London Stock Exchange are required to report under full International Financial Reporting Standards as adopted by the European Union (IFRSs). This year Online Blockchain has incorporated two subsidiaries and as a result is now required to make the transition from FRS 102 – The financial reporting standard applicable in the UK and Republic of Ireland to IFRS. The details of the transition are shown under note 23.

RESULTS

The loss for the financial year amounted to £188,000 (2017: profit of £62,000). The Directors do not propose the payment of a dividend (2017: £nil).

DIRECTORS

The Directors set out below held office throughout the year except where stated:

M J Hodges
C H Chambers
J B Mullins
W Louden (appointed 23 February 2018)

Clement Chambers and William Louden retire by rotation and, being eligible, offer themselves for re-election. The Directors' interests in the shares of the company are shown in the Remuneration Report.

Biographic details

Michael Hodges*, aged 55, Chairman*
Co-founder of ADVFN plc, Michael Hodges has over 30 years experience in computer software development and publishing, while working with multi-user and Internet projects for many years. He Co-founded Online Blockchain plc, ADVFN plc and All IPO Plc. He is currently Chairman of Online Blockchain plc, ADVFN plc and a Director of All IPO Plc. At ADVFN, Michael has responsibility general business development.

Clement Chambers *aged 54, Chief Executive Officer*
Co-founder of ADVFN plc, All IPO Plc and Online Blockchain plc, Clement Chambers has been involved in the software industry for over 25 years as a pioneer of computer games, multiplayer games, multimedia and the internet. He is also a Director of Online Blockchain plc and All IPO Plc. He has written investment columns for Wired Magazine, Forbes, The Business, The Scotsman and broadcasts on investment matters for SKY News, CNBC and the BBC. Chambers takes an active role in all aspects of ADVFN, from product and staff development to revenue generation and the day-to-day running of the site. He has been a Non-executive Director of Avarae Global Coins PLC since November 2010.

Jonathan Mullins*, aged 48, Executive Director*
Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 20 years. He is responsible for the entire technical department of ADVFN and has overseen the growth of the website since its early days, including the development of the proprietary streaming service. He continues to direct all technical implementations for the site.

William Louden*, aged 71, Non-executive Director*
Ex-president of a GE global consumer business unit with operations in Japan, the UK, Italy, and Germany. Senior Vice President at Delphi Internet leading UK Internet start-up operations for News Corp.

REPORT OF THE DIRECTORS (continued)

SUBSTANTIAL SHAREHOLDERS

At 18 October 2018 the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital:

	Shareholding Ordinary	**%**	**Shareholding** Deferred	**%**
Clement Chambers	1,529,364	17.7	1,504,364	23.7
Michael Hodges	1,365,642	15.8	1,132,014	17.8
Barnard Nominees	-	-	252,000	4.0
Peter O'Reilly	1,060,000	12.2	-	-
Reyker Securities	1,000,000	11.5	-	-

FINANCIAL RISK MANAGEMENT

Information relating to the Company's financial risk management is detailed in note 21 to the financial statements.

CHANGE OF COMPANY NAME

On 26 October 2017 it was announced that the Board intended to change the name of the Company to Online Blockchain Plc. This was proposed and passed at the Annual General Meeting on 15 December 2017.

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. The Directors have prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2018 the Group's cash balances amounted to £652,000 and the Directors believe that trading will gradually improve over the next 12 months. Accordingly, the Directors have prepared these financial statements on the going concern basis.

EVENTS AFTER THE BALANCE SHEET DATE

As we announced in August 2018, we have agreed to invest in Encrypted Gaming Inc, a talented development group building games on the Ethereum Blockchain.

More information on this project is available on the company website.

www.onlineblockchain.io

STRATEGIC REPORT

Information in respect of the Business Review and Principal Risks and Uncertainties are not shown in the Report of the Directors because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

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 prepared the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and elected to prepare the company financial statements in accordance with IFRSs. 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 and profit or loss of the company and group 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 accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs for Group and Company 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 Group 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

AUDITOR

In accordance with section 489(4) of the Companies Act 2006, a resolution proposing the reappointment of Grant Thornton UK LLP will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Clement Chambers
CEO
9 November 2018

REMUNERATION REPORT

Directors' emoluments

	Salary & fees £'000	**Benefits in kind** £'000	**Annual bonus** £'000	**2018 Total** £'000	**2018 Pension** £'000	2017 Total £'000	2017 Pension £'000
Executive Directors							
M J Hodges	25	-	10	35	-	-	-
C H Chambers	38	-	18	56	-	-	-
J B Mullins	25	-	10	35	-	-	-
Non-Executive Directors							
W Louden	5	-	-	5	-	-	-
	93	-	38	131	-	-	-

Remuneration policy for Executive Directors

The Company's policy on Executive Director's remuneration is to:

- attract and retain high quality executives by paying competitive remuneration packages relevant to each Director's role, experience and the external market. The packages include employment related benefits including contributions to private pension plans;
- incentivise Directors to maximise shareholder value through share options which are granted at an exercise price at the market price at date of grant are normally exercisable for a period of 7 years and lapse if an employee leaves.

Service contracts

The Executive Directors have contracts with a thirty-six month notice period.

Directors' interests in shares

The interests of the Directors holding office at the year end in the ordinary and deferred shares of the Company at 30 June 2018 and 30 June 2017 are as shown below:

	2018 Ordinary 5p Number	**2018 Deferred 45p Number**	2017 Ordinary 5p Number	2017 Deferred 45p Number
C H Chambers	1,529,364	1,504,364	1,529,364	1,504,364
M J Hodges	1,365,642	1,132,014	1,365,642	1,132,014
J B Mullins	164,486	164,486	164,486	164,486

The market price of the 5p Ordinary shares at 30 June 2018 was 46.00p (2017: 14.50p). The range during the year was 13.50p to 152.00p (2017: 14.50p to 21.50p).

Directors' interests in share options

The details of the options held by each Director at 30 June 2018 are as follows:

Grant date	Vesting date	Lapse date	M J Hodges	C H Chambers	J B Mullins	W Louden	Total
01.07.10	02.09.15	01.09.22	150,000	150,000	150,000	-	450,000
02.05.18	31.10.18	31.10.22	-	-	-	50,000	50,000
			150,000	150,000	150,000	50,000	500,000

No share options were exercised during the year

The following share options were granted during the year

Grant date	Vesting date	Lapse date	M J Hodges	C H Chambers	J B Mullins	W Louden	Total
02.05.18	31.10.18	31.10.22	-	-	-	50,000	50,000

Independent auditor's report to the members of Online Blockchain Plc
Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Online Blockchain plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2018 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall group materiality: £18,000, which represented 1% of the Group's total assets at our preliminary planning stage.
- The key audit matter was identified as revenue recognition.
- We performed full scope audit procedures at the Group's significant components in the United Kingdom.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Group and Parent	*How the matter was addressed in the audit – Group and Parent*
Revenue Recognition The revenue of the Group is a measure of its financial performance during the financial year. The primary activity of the parent company is that of an incubator and investor in internet and information businesses, developers, administrators and custodians of blockchains and cryptocurrencies. A key part of this is the development and provision of management services to ADVFN plc, the main investment held by the Group. The revenue of the Group is derived from this supply of management services and also advertising recharges to ADVFN plc. The revenue is recognised as the management services are provided and advertising recharges incurred. These revenue streams account for nearly all of the Group's revenue. Due to the significance of revenues, we have identified revenue recognition as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • assessing the appropriateness of the Group's revenue recognition policy in light of the requirements of International Accounting Standard (IAS) 18 'Revenues'; and • testing 100% of revenue transactions by comparing each item to source documentation confirming that the service was provided and that the recharges made to ADVFN plc were appropriate, in accordance with the agreement in place and consistent with the Group's accounting policy. The Group's accounting policy on revenue recognition is shown in note 2 to the financial statements. **Key observations** Our procedures did not identify any material misstatement in respect of revenue recognised by the Group during the year

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£18,000, which represented 1% of the Group's total assets at our preliminary planning stage. This benchmark is considered the most appropriate because the Group's primary focus is the performance of its investments. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2017 as a result of the increase in total assets in the year.	£17,900, which represented 1% of the Parent Company's total assets at our preliminary planning stage, capped at 99.5% of Group materiality. This benchmark is considered the most appropriate because the parent company's primary focus is the performance of its investments. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2017 as a result of the increase in total assets in the year.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality	75% of financial statement materiality
Specific materiality	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.
Communication of misstatements to the audit committee	£1,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£1,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- evaluation by the group audit team of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality;
- performing full scope audit procedures on the financial statements of the Group;
- noting that there was minimal activity within the subsidiaries during the year and no balances were material to the Group and as such we considered analytical procedures to be sufficient;
- undertaking a planning visit in May 2018 to evaluate the Group's internal control environment, including an assessment of the design effectiveness of controls over key financial statement risk areas identified as part of our audit risk assessment.
- substantive testing of 100% of the Group's total assets.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 14**,** other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Jonathan Maile BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date:9th November 2018

Consolidated income statement incorporating the statement of comprehensive income

	Notes	30 June 2018 £'000	30 June 2017 £'000
Revenue		56	98
Cost of sales		(2)	-
Gross profit		54	98
Share based payment	19	(15)	-
Other administrative expenses		(297)	(78)
Total administrative expenses		(312)	(78)
Operating (loss)/profit	4	(258)	20
Finance income and expense	7	(1)	(2)
Share of post-tax profits of equity accounted associate		71	44
(Loss)/profit before tax		(188)	62
Taxation	8	-	-
Total (loss)/profit for the period attributable to shareholders of the parent		(188)	62
(Loss)/profit per share			
Basic	9	(2.32 p)	0.81 p
Diluted	9	(2.32 p)	0.81 p

There is no other comprehensive income for either the current or prior year.

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Consolidated balance sheet

	Notes	30 June 2018 £'000	30 June 2017 £'000	1 July 2016 £'000
Assets				
Non-current assets				
Property, plant and equipment	10	65	-	-
Other receivables	14	6	-	-
Investment in associate	11	1,243	1,174	1,161
		1,314	1,174	1,161
Current assets				
Trade and other receivables	14	183	125	159
Cash and cash equivalents		652	2	-
		835	127	159
Total assets		2,149	1,301	1,320
Equity and liabilities				
Equity				
Issued capital	18	3,292	3,242	3,242
Share premium		3,155	2,205	2,205
Share based payment reserve	19	51	36	36
Retained earnings		(4,409)	(4,219)	(4,250)
		2,089	1,264	1,233
Current liabilities				
Trade and other payables	16	60	37	32
Borrowings (bank overdraft)		-	-	55
		60	37	87
Total liabilities		60	37	87
Total equity and liabilities		2,149	1,301	1,320

The financial statements on pages 19 to 45 were authorised for issue by the Board of Directors on 8 November 2018 and were signed on its behalf by:

Clement Chambers
CEO
Company number: 03203042

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Company balance sheet

	Notes	30 June 2018 £'000	30 June 2017 £'000	1 July 2016 £'000
Assets				
Non-current assets				
Property, plant and equipment	10	65	-	-
Investment in associate	11	1,243	1,174	1,161
		1,308	1,174	1,161
Current assets				
Trade and other receivables	14	192	125	159
Cash and cash equivalents		651	2	-
		843	127	159
Total assets		2,151	1,301	1,320
Equity and liabilities				
Equity				
Issued capital	18	3,292	3,242	3,242
Share premium		3,155	2,205	2,205
Share based payment reserve	19	51	36	36
Retained earnings		(4,407)	(4,219)	(4,250)
		2,091	1,264	1,233
Current liabilities				
Trade and other payables	16	60	37	32
Borrowings (bank overdraft)		-	-	55
		60	37	87
Total liabilities		60	37	87
Total equity and liabilities		2,151	1,301	1,320

The financial statements on pages 19 to 45 were authorised for issue by the Board of Directors on 1 November 2018 and were signed on its behalf:

Clement Chambers
CEO
Company number: 02374988

Company statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the financial year was a loss of £186,000 (2017: profit of £62,000).

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 July 2016	3,242	2,205	36	(4,250)	1,233
Net asset movements of associate	-	-	-	(31)	(31)
Total comprehensive income for the year	-	-	-	62	62
At 30 June 2017	3,242	2,205	36	(4,219)	1,264
Share based payment	-	-	15	-	15
Issue of shares	50	950	-	-	1,000
Transactions with shareholders	50	950	15	-	1,015
Net asset movements of associate	-	-	-	(2)	(2)
Total comprehensive income for the year	-	-	-	(188)	(188)
At 30 June 2018	3,292	3,155	51	(4,409)	2,089

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Company statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At I July 2016	3,242	2,205	36	(4,250)	1,233
Net asset movements of associate	-	-	-	(31)	(31)
Total comprehensive income for the year	-	-	-	62	62
At 30 June 2017	3,242	2,205	36	(4,219)	1,264
Share based payment	-	-	15	-	15
Share issues	50	950	-	-	1,000
Total transactions with owners	50	950	15	-	1,015
Net asset movements of associate	-	-	-	(2)	(2)
Total comprehensive income for the year	-	-	-	(186)	(186)
At 30 June 2018	3,292	3,155	51	(4,407)	2,091

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Consolidated cash flow statement

	Notes	12 months to 30 June 2018 £'000	12 months to 30 June 2017 £'000
Cash flows from operating activities			
(Loss)/profit for the year		(188)	62
Profit from equity accounted associate		(71)	(44)
Net finance income in the income statement	7	1	2
Depreciation of property, plant & equipment	10	5	-
Share based payments - options	19	15	-
(Increase)/decrease in trade and other receivables	14	(64)	34
Increase in trade and other payables	16	23	5
Net cash generated by continuing operations		(279)	59
Income tax receivable		-	-
Net cash generated by operating activities		(279)	59
Cash flows from financing activities			
Issue of share capital	18	1,000	-
Interest paid		(1)	(2)
Net cash generated/(used) by financing activities		999	(2)
Cash flows from investing activities			
Payments for property plant and equipment	10	(70)	-
Net cash used by investing activities		(70)	-
Net increase in cash and cash equivalents		650	57
Cash and cash equivalents at the start of the period		2	(55)
Cash and cash equivalents at the end of the period		652	2

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Company cash flow statement

	Notes	12 months to 30 June 2018 £'000	12 months to 30 June 2017 £'000
Cash flows from operating activities			
(Loss)/profit for the year		(186)	62
Profit from equity accounted associate		(71)	(44)
Net finance income in the income statement		-	2
Depreciation of property, plant & equipment	10	5	-
Share based payments - options	19	15	-
(Increase)/decrease in trade and other receivables	14	(67)	34
Increase in trade and other payables	16	23	5
Net cash generated by continuing operations		(281)	59
Income tax receivable		-	-
Net cash generated by operating activities		(281)	59
Cash flows from financing activities			
Issue of share capital	18	1,000	-
Interest paid		-	(2)
Net cash generated/(used) by financing activities		1,000	(2)
Cash flows from investing activities			
Payments for property plant and equipment	10	(70)	-
Net cash used by investing activities		(70)	-
Net increase in cash and cash equivalents		649	57
Cash and cash equivalents at the start of the period		2	(55)
Cash and cash equivalents at the end of the period		651	2

The accompanying accounting policies and notes on pages 26 to 45 form an integral part of these financial statements.

Notes to the financial statements

1. General information

The principal activity of Online Blockchain Plc ("the Company") and its subsidiaries (together "the Group") is that of an incubator and investor in internet and information businesses, developers, administrators and custodians of blockchains and cryptocurrencies.

The principal trading subsidiaries are Awesome Animation Limited and Online Development Inc.

The Company is a public limited company which is quoted on the AIM of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 03203042.

Exemption from audit
For the year ended 30 June 2018 Online Blockchain Plc has provided a guarantee in respect of all liabilities due by its subsidiary company Awesome Animation Limited (Company No. 11166820) thus entitling it to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Restatement of the Online Blockchain Plc investment in ADVFN Plc
Online Blockchain Plc carries an investment of around 18% in ADVFN Plc which, due to the significant influence exercised over the company by the joint directors, has meant that ADVFN Plc is an associate. Hitherto the company has reported the associate in the disclosure notes but this year Online Blockchain has incorporated two subsidiaries and as a result is now required to make the transition from FRS 102 – The financial reporting standard applicable in the UK and Republic of Ireland, to IFRS. The appropriate proportion of the ADVFN Plc group owned by Online Blockchain Plc is now equity accounted and the investment in ADVFN Plc also includes the percentage of the movements in the net assets. Comparative periods have been restated as a result of the adjustment from FRS 102 to full IFRS. For details of the changes please see note 23.

2. Summary of significant accounting policies

Basis of preparation

The consolidated and company financial statements are for the year ended 30 June 2018. They have been prepared in compliance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union as at 30 June 2018. The consolidated and company financial statements have been prepared under the historical cost convention and are presented in Sterling rounded to the nearest thousand except where indicated otherwise.

This is the first time that the Group has presented its financial information for the three years ended 30 June 2018 under IFRS, issued by the IASB as adopted by the EU. Online Blockchain Plc prepared its last statutory accounts for the year ended 30 June 2017 under FRS 102 (new UK GAAP). For further information see note 23.

Going concern

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. The Directors have prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2018 the Group's cash balances amounted to £652,000 and the Directors believe that trading will gradually improve over the next 12 months. Accordingly, the Directors have prepared these financial statements on the going concern basis.

Standards and amendments to existing standards adopted in these accounts
The standards and amendments adopted in these accounts had no material effect on the financial statements.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 30 June 2018 financial statements

- IFRS 15: Revenue from contracts with customers – the standard establishes the principles that an entity will apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Effective for periods beginning on or after 1 January 2018. The Company and Group currently invoice recharges for management services amounting to £52,000 (2017: £98,000) which are made against the associate company but there are no external sales and no revenue from external customers. The revenue from crypto mining activity does not involve a customer and therefore does not fall within the scope of the standard. The new standard will not impact the group.

- IFRS 16: Leases – this standard establishes the principles for the recognition, measurement, presentation and disclosure of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. Effective for periods beginning on or after 1 January 2018. The Company and Group has rented premises which are not the subject of a written agreement and where premises are used on a rolling monthly basis. No commitment beyond a month is made by either side. As a result the Group will take the short-term lease exemption. Based on the current situation, the standard will not impact the Group.

- IFRS 9: Financial instruments – The standard is effective for periods commencing on or after 1 January 2019 and will therefore be adopted no later than the period commencing 1 July 2019. The standard is a replacement for IAS 39 'Financial Instruments'. The Company and Group's financial assets consist of receivables and the liabilities consist of payables. There are no material borrowings. Under the provisions of the standard the treatment of any doubtful receivables will change to reflect an expected credit loss rather than an incurred credit loss. The Group currently has no trade receivables. Classification of financial assets and liabilities will change under the new standard however, the result will not impact the income statement. Changes to rules covering hedge accounting will not apply as the Group does not use hedge accounting.

The Directors continue to monitor the impact of future changes to the reporting requirements but do not believe the proposed changes will significantly impact the financial statements.

Consolidation
The Group's financial statements consolidate those of the parent company and all of its subsidiaries drawn up to 30 June 2018. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

Inter-company transactions, balances and unrealised gains and losses (where they do not provide evidence of impairment of the asset transferred) on transactions between Group companies are eliminated.

Equity accounting
Investments in associates for both the Company and the Group are accounted for using the equity method. This method results in the investor taking a proportionate share of the results of the investee in the income statement and net assets in the balance sheet. The share is based on the percentage ownership the investor has in the investee.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Foreign currency translation

a) Functional and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's functional currency and the Group's presentational currency is Sterling.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

c) Group companies
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each income statement are translated at the rate of exchange at the transaction date. Where this is not possible, the average rate for the period is used but only if there is no significant fluctuation in the rate and;
- On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity. Post transition exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

Revenue

The Group derives revenue from providing support in the form of management services to its associate company and from mining for crypto-currency. Both are recognised at a point in time; management support as the services provided are completed and mining as the control of the benefit in the form of crypto currency is passed to the group.

Employee benefits

The cost of pensions in respect of the Group's defined contribution scheme is charged to profit or loss in the period in which the related employee services were provided.

Intangible assets

- Internally generated intangible assets

An internally generated intangible asset arising from development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangibles not yet in use are subject to annual impairment testing.

Internally generated intangible assets are amortised over three years.

Research expenditure is recognised as an expense in the period in which it is incurred. There are currently no projects where development expenditure is capitalised.

Property, plant and equipment
Property, plant and equipment are recorded at cost net of accumulated depreciation and any provision for impairment. Depreciation is provided using the straight-line method to write off the cost of the asset less any residual value over its useful economic life. The residual values of assets are reviewed annually and revised where necessary. Assets' useful economic lives are as follows:

Computer equipment	33% per annum over 3 years

Impairment
For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. As a result some assets are tested individually for impairment and some are tested at cash-generating unit level.

Assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. The cashflow evaluations are a result of the Director's estimation of future sales and expenses based on their past experience and the current market activity within the business. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Financial assets
Financial assets consist of receivables. Financial assets are assigned to their different categories by management on initial recognition, depending on the characteristics of the asset.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Financial liabilities
The Group's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in the income statement.

Trade payables are recognised initially at their fair value, net of transaction costs and subsequently measured at amortised costs less settlement payments.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Income taxes
Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets such as those resulting from assessing deferred tax on the expense of share based payments, are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Provisions, contingent liabilities and contingent assets
Provisions are recognised when the present obligations arising from legal or constructive commitment resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Share based employee compensation
The Group operates equity settled share based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

All share based compensation is ultimately recognised as an expense in the income statement with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued are reallocated to share capital with any excess being recorded as additional share premium.

Where modifications are made to the vesting or lapse dates of options the excess of the fair value of the revised options over the fair value of the original options at the modification date is expensed over the remaining vesting period.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Equity
Issued capital
Ordinary shares are classified as equity. The nominal value of shares is included in issued capital.
Share premium
The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.
Share based payment reserve
The share based payment reserve represents equity settled share based employee remuneration until such share options are exercised.
Retained earnings
The retained earnings include all current and prior period results for the Group and the post acquisition results of the Group's subsidiaries as determined by the income statement.

Dividends
Final equity dividends to the shareholders of Online Blockchain Plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.
Dividends receivable are recognised when the Company's right to receive payment is established.

Use of key accounting estimates and judgements
Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies

- The Directors have used their judgement to decide whether the Company should be treated as a going concern and whether it will be able to continue in existence for the foreseeable future. Directors must consider the latest forecasts, together with the cash resources, if any, available to them. The Company carries a significant receivable from the associate company ADVFN Plc together with a significant investment in the shares of the same company and therefore the Directors have judged that it is appropriate for the financial statements to be prepared on the going concern basis.
- The Directors must consider whether the investment in ADVFN gives sufficient influence over the investee so as to require the investee to be considered an associate. Online Blockchain holds an investment of 17.98% and, more significantly, there are joint directorships to the extent that significant influence clearly exists and therefore ADVFN is considered an associate of the company.

Sources of estimation uncertainty

- The Company uses estimation techniques to value the options which are granted to management. The technique is based on the results of the Black Scholes model and requires inputs to calculate the value. The Directors estimate the value of the inputs based on historical data and market experience.

Notes to the financial statements (continued)

3. Segmental analysis

The Directors identify operating segments based upon the information which is regularly reviewed by the chief operating decision maker. The Group considers that the chief operating decision makers are the executive members of the Board of Directors.

The Group has two reportable operating segments, being that of the mining of crypto-currency and the provision of management services. The two newly incorporated subsidiary companies are currently operating at a very low level and their revenues, expenses, assets and liabilities are considered to be immaterial. Segment information can be analysed as follows for the reporting period under review:

2018	Provision of management services £'000	Mining crypto-currency £'000	Total £'000
Revenue from related party	52	-	52
Revenue from mining	-	4	4
Depreciation and amortisation	-	(5)	(5)
Other operating expenses	(307)	(2)	(309)
Segment operating (loss)/profit	(255)	(3)	(258)
Interest income	-	-	-
Interest expense	1	-	1
Segment assets	2,073	76	2,149
Segment liabilities	(60)	-	(60)
Purchases of non-current assets	-	70	70

2017	Provision of management services £'000	Mining crypto-currency £'000	Total £'000
Revenue from external customers	98	-	98
Revenue from mining	-	-	-
Depreciation and amortisation	-	-	-
Other operating expenses	(78)	-	(78)
Segment operating (loss)/profit	20	-	20
Interest income	-	-	-
Interest expense	2	-	2
Segment assets	1,301	-	1,301
Segment liabilities	(37)	-	(37)
Purchases of non-current assets	-	-	-

During both 2018 and 2017 a related party accounted for more than 10% of the Group's total revenues.

Notes to the financial statements (continued)

4. Operating (loss)/profit

Operating profit has been arrived at after charging:	2018 £'000	2017 £'000
Foreign exchange loss	1	-
Depreciation and amortisation:		
Depreciation of property plant and equipment:		
Owned	5	-
Employee costs (Note 6)	138	-
Audit and non-audit services:		
Fees payable to the company's auditor for the audit of the Company's annual accounts	13	11
Fees payable to the Company's auditor and its associates for other services:		
All other assurance services	7	15
Taxation compliance services	2	2

5. Remuneration of key senior management for Group and Company

Key senior management comprises only Directors.	2018 £'000	2017 £'000
Short term employee benefits	131	-
Share based payments	1	-
Post employment benefits - defined contribution pension plans	-	-
	132	-

Highest paid Director	2018 £'000	2017 £'000
Short term employee benefits	56	-
Share based payments	-	-
Post employment benefits - defined contribution pension plans	-	-
	56	-

Details of the Directors' emoluments, together with other related information, are set out in the Remuneration Report on page 11.

6. Employees

GROUP

	2018 £'000	2017 £'000
Employee costs (including Directors):		
Wages and salaries	131	-
Social security costs	5	-
Pension costs	1	-
Share based payments	1	-
	138	-

The average number of employees during the year was made up as follows:

Development	-	-
Sales and Administration	4	3
	4	3

Details of the Directors' emoluments, together with other related information, are set out in the Remuneration Report on page 14.

Notes to the financial statements (continued)

7. Finance income and expense

GROUP

	2018 £'000	2017 £'000
Finance expense		
- Bank interest	(1)	(2)
	(1)	(2)

8. Income tax expense

GROUP

	2018 £'000	2017 £'000
Current Tax:		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
Total current taxation	-	-
Deferred tax	-	-
Taxation	-	-

The tax assessed for the year is different from the standard rate of corporation tax as applied in the respective trading domains where the Group operates. The differences are explained below:

	2018 £'000	2017 £'000
(Loss)/ profit before tax	(188)	62
Less profit after tax in equity accounted associate	(71)	(44)
	(259)	18
Loss before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.00%) (2017: 19.75%)	(49)	4
Effects of:		
Non-deductible expenses	59	-
Deferred tax – difference between opening and current year tax rates	-	41
Movements in unrecognised deferred tax	(10)	(45)
Tax credit for the year	-	-

The main UK corporation tax rate changed from 19% to 18% with effect from 1 April 2018. The recognised and unrecognised deferred tax assets have been calculated at 18%, being the rate enacted at 30 June 2018.

Notes to the financial statements (continued)

9. Loss per share

	12 months to 30 June 2018 £'000	12 months to 30 June 2017 £'000
(Loss)/profit for the year attributable to equity shareholders	(188)	62
Total (loss)/profit per share – basic and diluted		
Basic	(2.32 p)	0.81 p
Diluted	(2.32 p)	0.81 p
	Shares	Shares
Weighted average number of Ordinary shares in issue for the year	8,130,841	7,662,348
Dilutive effect of options	227,049	-
Weighted average shares for diluted earnings per share	8,357,890	7,662,348

Where a loss has been recorded for the year the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33. Where a profit has been recorded but the average share price for the year remains under the exercise price the existence of options is likewise not dilutive.

10. Property, plant and equipment

GROUP AND COMPANY

	Computer equipment £'000	**Total** £'000
Cost		
At 1 July 2016	-	-
Additions	-	-
At 30 June 2017	-	-
Additions	70	70
At 30 June 2018	70	70
Depreciation		
At 1 July 2016	-	-
Charge for the year	-	-
At 30 June 2017	-	-
Charge for the year	5	5
At 30 June 2017	5	5
Net book value		
At 30 June 2018	65	65
At 30 June 2017	-	-

A fixed and floating charge is held by Barclays Bank which covers all the property and undertakings of the company against the provision of any loan, debenture or other bank liability.

Notes to the financial statements (continued)

11. Investment in associate

GROUP
The Company owns 17.98% (2017: 17.98%) of ADVFN plc (ADVFN) which is incorporated in England and Wales and its principal activity is the development and provision of financial information, primarily via the internet, research services and the development and exploitation of ancillary internet sites. The investment in ADVFN plc is treated for the purposes of financial reporting as an associate due to the common directorships held between ADVFN plc and Online Blockchain plc and the resulting level of significant influence over the associate. The investment in ADVFN Plc is accounted for using the equity method in accordance with IAS 28.

Summarised financial information for ADVFN Plc is set out below:

	2018 £'000	2017 £'000	2016 £'000
Non-current assets	2,502	2,255	2,462
Current assets (i)	1,916	1,911	2,010
	4,418	4,166	4,472
Non-current liabilities (ii)	-	-	(100)
Current liabilities (iii)	(2,335)	(2,464)	(2,751)
	(2,335)	(2,464)	(2,851)
Net assets	2,083	1,702	1,621
i) Includes cash and cash equivalents	1,061	963	843
ii) Includes financial liabilities (excluding trade and other payables)	-	-	-
iii) Includes financial liabilities (excluding trade and other payables)	(580)	(392)	(289)
Revenue	9,201	8,186	8,303
Total comprehensive income for the year	360	55	(292)
Tax (expense)/credit	(49)	30	46

A reconciliation of the above summarised information to the carrying amount of the investment in ADVFN Plc is set out below:

	2018 £'000	2017 £'000	2016 £'000
Total net assets of ADVFN Plc	2,083	1,702	1,623
Proportion of ownership interests held by the group	17.98%	17.98%	18.05%
Share of net assets of ADVFN Plc	375	306	293
Cost of investment in ADVFN Plc	868	868	868
Carrying amount of investment in ADVFN Plc	1,243	1,174	1,161

Investment in associate undertakings

	2018 £'000	2017 £'000	2016 £'000
Listed investments at cost	868	868	868
Listed investments at market value	1,428	898	898

No dividends were received from ADVFN Plc for any of the years reported. The market value of ADVFN's shares at 30 June 2018 was 31.00p (2017: 19.50p - 2016: 19.50p). The range during the year was 19.50p to 55.00p (2017; 19.50p to 30.50p – 2016: 127.50p to 19.50p).

Equity accounting
As a result of the incorporation of two subsidiaries, Online Blockchain Plc is now required to report consolidated financial statements for the new Group under IFRS as adopted by the EU. In addition, this also means that the associate undertaking, ADVFN Plc, with a shareholding held by Online Blockchain of about 18%, which hitherto has been disclosed in the notes to the financial statements, must now be reported under equity accounting rules and included in the consolidated accounts of the group at the percentage of equity held by Online Blockchain Plc.

Notes to the financial statements (continued)

12. Subsidiary companies consolidated in these accounts

COMPANY

	Subsidiaries £'000
At 30 June 2017 and 1 July 2016	-
Incorporated	-
30 June 2018	-

The subsidiary companies have been incorporated with an immaterial amount of invested capital.

	Country of incorporation	**% interest in ordinary shares 30 June 2018**	**Principal activity**	**Registered address**
Awesome Animation Limited	England & Wales	100.00	Office services	Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA
Online Development Inc.	USA	100.00	Not yet trading	

The subsidiary company Awesome Animation Limited is exempt from an audit under s479A of the Companies Act 2006.

13. Deferred tax

The following are the deferred tax liabilities and assets recognised by the Group and the movements thereon during the current and prior periods:

	Accelerated capital allowances £'000	UK tax losses £'000	Total £'000
At 1 July 2016	(1)	(685)	(686)
Credit/(charge) to profit or loss	1	40	41
Charge to other comprehensive income	-	-	-
At 30 June 2017	-	(645)	(645)
Credit/(charge) to profit or loss	-	-	-
Charge to other comprehensive income	-	-	-
At 30 June 2018	-	(645)	(645)

The Company has unused trading losses and management expenses of approximately £3,697,000 (2017: £3,791,000) to carry forward against profits of the same trade which will be recovered once the Company makes a profit.

No deferred tax asset has been recognised in respect of the losses due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

Notes to the financial statements (continued)

14. Trade and other receivables

GROUP

	2018 £'000	2017 £'000	2016 £'000
Non-current assets			
Other receivables (rent deposit)	6	-	-
Current assets			
Prepayments and accrued income	11	6	4
Other receivables due from an associate undertaking	165	119	155
Other receivables	7	-	-
	183	125	159

The Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

COMPANY

	2018 £'000	2017 £'000	2016 £'000
Current assets			
Prepayments and accrued income	9	6	4
Other receivables due from an associate undertaking	165	119	155
Other receivables due from a group entity	10	-	-
Other receivables	8	-	-
	192	125	159

15. Credit quality of financial assets

Neither the Group nor the Company has trade receivables. The significant receivable is from an associate undertaking, ADVFN Plc.

Notes to the financial statements (continued)

16. Trade and other payables

GROUP

	2018 £'000	2017 £'000	2016 £'000
Trade payables	33	23	21
Accrued expenses and deferred income	9	4	7
Other payables	18	10	4
	60	37	32

COMPANY

	2018 £'000	2017 £'000	2016 £'000
Trade payables	33	23	21
Accruals and deferred income	9	4	7
Other payables	18	10	4
	60	37	32

17. Financial instruments

GROUP

Categories of financial instrument	2018 £'000	2017 £'000	2016 £'000
Non-current			
Trade and other receivables - loans and receivables	6	-	-
Current			
Trade and other receivables - loans and receivables	172	119	155
Trade and other receivables - non-financial assets	11	6	4
	183	125	159
Cash and cash equivalents - loans and receivables	652	2	-
Total loans and receivables	830	121	155
Trade and other payables - other financial liabilities at amortised cost	60	37	87
	60	37	87

Notes to the financial statements (continued)

Financial instruments (continued)

COMPANY

Categories of financial instrument	2018 £'000	2017 £'000	2016 £'000
Current			
Trade and other receivables - loans and receivables	183	119	155
Trade and other receivables - non-financial assets	9	6	4
	192	125	159
Cash and cash equivalents - loans and receivables	651	2	-
Total loans and receivables	834	121	155
Trade and other payables - other financial liabilities at amortised cost	60	37	87
	60	37	87

18. Issued share capital

GROUP AND COMPANY	Deferred shares of 45p each		Ordinary shares of 5p each	
	Number	£'000	Number	£'000
At 1 July 2016	6,352,539	2,859	7,662,348	383
Share issue	-	-	-	-
At 30 June 2017	6,352,539	2,859	7,662,348	383
Share issue	-	-	1,000,000	50
At 30 June 2018	6,352,539	2,859	8,662,348	433

On 10 January 2018 the Company issued 1,000,000 Ordinary shares of 5p each at £1.00 per share.

Share price

The market value of the Ordinary shares at 30 June 2018 was 46.00p (2017: 14.50p). The range during the year was 13.50p to 152.00p (2017: 14.50p to 21.50p). Shareholders are entitled to one vote per Ordinary share held and dividends will be apportioned and paid proportionately to the amounts paid up on the Ordinary shares held.

The Deferred Shares do not entitle the holders thereof to receive any dividend or other distribution nor to receive notice of nor to attend nor vote at any General Meeting of the Company. On a return of capital on a winding up the holders of Deferred Shares are only entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £100,000 for each Ordinary Share held by them and shall have no other right to participate in the assets of the Company.

Notes to the financial statements (continued)

19. Share based payments

GROUP AND COMPANY

Equity settled share-based payments

The Company has a share option plan for directors and employees which has been running for a number of years. During the year ended 30 June 2018 426,500 warrants for shares were issued to individuals and organisations not in the Online Blockchain Group and, in addition, 50,000 options to a director of the Online Blockchain Plc company. Options and warrants are treated in the same way and are exercisable at a price set at the date of grant. The options vest based on varying periods of continued service and warrants vest at specified dates over a period. The 450,000 options in issue at the 30 June 2017 had been re-dated and in this case the date of vesting was deferred until the 2 September 2015 and in consequence the date of lapse until 1 September 2022.

The options and warrants are settled in equity once exercised. If the options and warrants remain unexercised after the specified period from the date of grant, the options expire.

The fair value of options and warrants granted after 7 November 2002 has been arrived at using the Black-Scholes model. The assumptions inherent in the use of this model are as follows:

- The option/warrant life is assumed to be at the end of the allowed period
- There are no vesting conditions which apply to the share options/warrants other than continued service up to 3 years.
- No variables change during the life of the option or warrant (e.g. dividend yield must be zero).
- Volatility has been calculated over the 3 years prior to the grant date by reference to the daily share price.

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

	2018 WAEP	
	Number	Price (p)
Outstanding at the beginning of the year	450,000	20.00
Granted during the year 1 - warrants	226,500	40.00
Granted during the year 2 - warrants	200,000	48.50
Granted during the year 3 - options	50,000	
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the year end	926,500	32.60
Exercisable at the year end	538,250	24.10

	2017 WAEP	
	Number	Price (p)
Outstanding at the beginning of the year	450,000	20.00
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the year end	450,000	20.00
Exercisable at the year end	450,000	20.00

The options outstanding at the year-end are set out below:

Expiry date	Exercise Price (p)	2018 Share options	2018 Remaining life	2017 Share options	2017 Remaining life
31 October 2022	48.50	250,000	4.25	-	-
15 February 2020	40.00	76,500	4.25	-	-
1 September 2022	40.00	150,000	4.25	-	-
1 September 2022	20.00	450,000	4.25	450,000	5.25

No options were exercised during the year.

The total expense recognised in the income statement during the year by the Group, for all schemes, was £15,000 (2017: £nil).

Notes to the financial statements (continued)

20. Operating lease commitments

GROUP AND COMPANY

The Company rents office space which is not subject to a lease agreement. There is no ongoing liability and no commitment on either side beyond the rolling one month basis. The total amount of rent paid for this financial year was £2,000 (2017: £nil) and the rent payable for a full year would amount to £18,000 which is paid monthly.

21. Financial risk management

The Group and Company's activities expose it to a variety of financial risks: primarily market risk (price risk) and liquidity risk. All companies within the group apply the same risk management programme, overall this focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board and their policies are outlined below.

a) Market risk

Price risk
The Company holds an investment of 17.98% of the share capital of ADVFN plc which is traded on the Alternative Investment Market. The share price of this investment will fluctuate and the range during the year was 19.50p to 55.00p (2017; 19.50p to 30.50p).

b) Liquidity risk

Liquidity risk is the risk that the Company will have insufficient funds to meet its liabilities as they fall due. The Directors monitor cash flow on a daily basis and at monthly board meetings in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

The Group currently holds cash balances in Sterling to provide funding for normal trading activity. The Group also has access to additional equity funding and, for short term flexibility, overdraft facilities would be arranged with the Group's bankers. Trade and other payables are monitored as part of normal management routine. Liabilities are disclosed as follows:

GROUP

2018	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	33	-	-	-
Accruals	9	-	-	-
Other payables	18	-	-	-

2017	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	23	-	-	-
Accruals	4	-	-	-
Other payables	10	-	-	-

2016	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	21	-	-	-
Accruals	7	-	-	-
Other payables	4	-	-	-

Notes to the financial statements (continued)

Financial risk management (continued)

COMPANY

2018	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	33	-	-	-
Accruals	9	-	-	-
Other	18	-	-	-

2017	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	23	-	-	-
Accruals	4	-	-	-
Other	10	-	-	-

2016	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	21	-	-	-
Accruals	7	-	-	-
Other	4	-	-	-

The Directors consider that the carrying amount of trade and other receivables in both the Group and Company is approximately equal to their fair value.

Borrowing facilities
Committed overdraft facilities of £50,000 are available to the Company and at 30 June 2018 the overdraft facility had not been utilised (2017: £nil). The facilities are repayable on demand and are renewed annually in November.

c) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in a volatile and tight credit economy.

The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt levels to insignificant amounts of lease and overdraft funding. Share capital and premium together amount to £6,447,000 (see page 20).

Whilst the Group does not currently pay dividends it is part of the capital strategy to provide returns for shareholders and benefits for other members in the future. However, the Group is planning growth and it will continue to be important to maintain the Groups credit rating and ability to borrow should acquisition targets become available.

Capital for further development of the Group's activities will, where possible, be achieved by share issues and not by carrying significant debt.

22. Capital commitments

GROUP AND COMPANY

At 30 June 2018 neither the Group nor the Company had any capital commitments (2017: £nil).

Notes to the financial statements (continued)

23. Transition to IFRS

This is the first time that the Group has presented its financial information for the three years ended 30 June 2018 under IFRS, issued by the IASB as adopted by the EU. Online Blockchain Plc prepared its last statutory accounts for the year ended 30 June 2017 under FRS 102 (new UK GAAP). The new companies forming the group were incorporated during the current year. For the purposes of these financial statements, the date of transition to IFRS was 1 July 2016 as the year from 1 July 2016 to 30 June 2017 is the earliest period for which the Group has adopted International Financial Reporting Standards (IFRS) in the preparation of its financial statements.

Transitional provisions under IFRS 1

IFRS 1, First-time adoption of International Financial Reporting Standards, allows a number of transitional provisions, primarily exemptions and exceptions, when applying IFRS for the first time. The Group has elected not to utilise any of these exemptions.

IFRS Impact

The transition from reporting under FRS 102 to reporting under IFRS as adopted by the EU resulting from the incorporation of two subsidiaries does not result in any transition adjustments which affect the Group. However, within the Online Blockchain Plc company it has meant that the associate entity ADVFN Plc has moved from a carrying value at cost to being equity accounted. The reconciliation to the disclosures presented previously is as follows:

Reconciliation of equity at transition date 1 July 2016:

2016	UK GAAP (FRS 102) £'000	Equity accounted associate £'000	IFRS £'000
Equity			
Issued capital	3,242	-	3,242
Share premium	2,205	-	2,205
Share based payment reserve	36	-	36
Retained earnings	(4,543)	293	(4,250)
	940	293	1,233

Reconciliation of equity at 30 June 2017

2017	UK GAAP (FRS 102) £'000	Equity accounted associate £'000	IFRS £'000
Equity			
Issued capital	3,242	-	3,242
Share premium	2,205	-	2,205
Share based payment reserve	36	-	36
Retained earnings	(4,525)	306	(4,219)
	958	306	1,264

Reconciliation of total comprehensive income for the year ended 30 June 2017

2017	UK GAAP (FRS 102) £'000	Equity accounted associate £'000	IFRS £'000
Revenue	98	-	98
Other administrative expenses	(78)	-	(78)
Operating (loss)/profit	20	-	20
Finance income and expense	(2)	-	(2)
Share of post-tax profits of equity accounted associate	-	44	44
(Loss)/profit before tax	18	44	62
Taxation	-	-	
Total loss for the period	18	44	62

24. Related party transactions

GROUP

At 30 June 2018 the Company was owed £165,000 by ADVFN plc (2017: £119,000). The Company made management charges and advertising recharges of £52,000 (2017: £98,000) to ADVFN plc for the year. ADVFN plc is related by virtue of having common directors; Michael Hodges, Clement Chambers and Jon Mullins and as the Company holds approximately 18% of the shares in ADVFN plc.

The remuneration paid to Directors is disclosed on page 14 in the Directors' Report; there were no other related party transactions.

COMPANY

At 30 June 2018 the Company was owed £165,000 by ADVFN plc (2017: £119,000). The Company made management charges and advertising recharges of £52,000 (2017: £98,000) to ADVFN plc for the year. ADVFN plc is related by virtue of having common directors; Michael Hodges, Clement Chambers and Jon Mullins and as the Company holds approximately 18% of the shares in ADVFN plc.

The remuneration paid to Directors is disclosed on page 14 in the Directors' Report; there were no other related party transactions.

25. Events after the balance sheet date

As we announced in August 2018, we have agreed to invest in Encrypted Gaming Inc, a talented development group building games on the Ethereum Blockchain.

More information on this project is available on the company website.

www.onlineblockchain.io

26. Accounts

Copies of these accounts are available from the Company's registered office at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the Online Blockchain Plc website:

www.onlineblockchain.io

Online Blockchain PLC

NOTICE OF ANNUAL GENERAL MEETING
Notice is hereby given that the Annual General Meeting of Online Blockchain PLC will be held in the Conference Room, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA on Thursday 14th December 2018 at 11.00 a.m. for the following purposes:

Ordinary Business

1To receive and adopt the financial statements and reports of the directors and auditors for the financial period ended 30 June 2018.

2 To re-elect Mr.C.Chambers as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

3 To re-elect Mr.W.Louden as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

4 To authorise the directors to appoint auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special Business

5 To consider, and if thought fit, to pass the following as an ordinary resolution:-
That the directors of the Company (the "**Directors**") be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £ 191,559 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Companies Act 1985.

6 To consider, and if thought fit, pass the following as a special resolution:-
That, conditional on the passing of resolution 4 above, the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 4 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to Section 95 of the Companies Act 1985 and shall be limited to:

(a) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (or as nearly as may be) to their existing holdings of ordinary shares in the Company subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:-

(i) to deal with equity securities representing fractional entitlements; and
(ii) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and

(b) other allotments (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal amount equal to £ 191,559 and such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

Registered Office:
Suite 27,
Essex Technology Centre
The Gables, Fyfield Road
Ongar
Essex
CM5 0GA

By order of the Board
Michael Hodges
Director

9th November 2018

Online Blockchain PLC
NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).

2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.

3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the meeting.

4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 11.00 a.m. on 12th December 2018. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.

6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.

7. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 6 p.m. UK time on 12th December 2018 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 6 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.

Online Blockchain PLC

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM") OF ONLINE BLOCKCHAIN PLC (THE "COMPANY")

At the AGM, resolutions will be proposed as explained below.

Resolution 1 – Receiving the accounts

An ordinary resolution will be proposed that the report of the directors and the accounts for the year ended 30 June 2018 together with the report of the auditors on those accounts be received and adopted.

Resolution 2 – Re-election of Mr. C Chambers as a director of the Company

An ordinary resolution will be proposed to re-elect Mr. C Chambers, who is retiring and, being eligible, offers himself for re-election as a director of the Company.

Resolution 3 – Re-election of Mr. W Louden as a director of the Company

An ordinary resolution will be proposed to re-elect Mr. W Louden, who is retiring and, being eligible, offers himself for re-election as a director of the Company.

Resolution 4 – Re-appointment of auditors

An ordinary resolution will be proposed that the directors appoint auditors for the Company to hold office until the conclusion of the next annual general meeting of the Company and that their remuneration be fixed by the directors of the Company (the "**Directors**") from time to time.

Special Business

Resolution 5 – Authority to allot relevant securities

An ordinary resolution will be proposed giving the Directors authority pursuant to section 551 of the Companies Act 2006 (the "**2006 Act**") to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a maximum aggregate nominal amount of £ 191,559 to such persons at such times and upon such terms and conditions as the Directors may determine (subject always to the articles of association of the Company). Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2019.

Resolution 6 – Authority to disapply pre-emption rights

Subject to the passing of resolution 4, a special resolution will be proposed to empower the Directors to allot equity securities pursuant to the authority conferred by resolution 4 as if the pre-emption rights set out in section 561(1) of the 2006 Act did not apply, in respect of the following matters:

(a) the allotment of equity securities in connection with an offer of such securities by way of a rights issue or other issues pro rata to existing entitlements to holders of relevant equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or legal or practical difficulties under the laws of any territory or the requirements of any regulatory body, stock exchange or other authority in any jurisdiction; and

(b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £ 191,559. Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2019.

Online Blockchain PLC

FORM OF PROXY
To:
The Directors
Online Blockchain PLC (the Company)
c/o Neville Registrars Limited
Neville House
18 Laurel Lane
West Midlands
B63 3DA

Dear Sirs

I/We……
of……
being a member of the Company hereby appoint……..
of…….
or failing him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 14th December 2018 at 11:00 a.m. and at any adjournment thereof.
I/we direct that my/our proxy vote as indicated below in respect of the resolutions, which are referred to in the notice convening the meeting (see note 1 below).

Resolutions For Against	**For**	**Against**	**Abstain**	**Withhold**
Ordinary Resolutions:				
1. To adopt the Report and Accounts for the year ended 30 June 2018	☐	☐	☐	☐
2. To re-elect Mr. C Chambers as a director of the Company	☐	☐	☐	☐
3. To re-elect Mr. W Louden as a director of the Company	☐	☐	☐	☐
4. To appoint Auditors for the Company	☐	☐	☐	☐
Special Business				
5. To authorise the directors to allot shares or grant rights pursuant to section 551 of the Companies Act 2006 (the "**2006 Act**")	☐	☐	☐	☐
6. To authorise the Directors to allot equity securities for cash pursuant to section 570 of the 2006 Act.	☐	☐	☐	☐

Date…… Signature……

Notes :

1. Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If no indication is given your proxy will vote or abstain from voting at his discretion.

2. A member entitled to attend and vote is entitled to appoint a proxy to exercise all or any rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must arrive at the address shown above not less than 48 hours before the time appointed for the meeting or any adjournment of the meeting.

3. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given.

4. This form of proxy, if completed by a corporation, should be executed under the common seal of that corporation or be signed by an officer or attorney duly authorised to do so, whose capacity should be stated.

5. A member wishing to appoint as his proxy a person other than the Chairman of the Meeting, should insert in block capitals the full name of the person of his choice where indicated, and delete the words "the Chairman of the Meeting". All alterations should be initialled.

6. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. Otherwise, in order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice revoking your proxy appointment to the Neville, Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. In the case of a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

7. If you submit more than one valid proxy appointment but the instructions in such appointments are not compatible with each other, the appointment received last before the latest time for the receipt of proxies will take precedence.

SECOND FOLD

Business Reply Plus
Licence Number
RSTY-SAKX-RZSL

1

Neville Registrars Limited
Neville House
18 Laurel Lane
HALESOWEN
B63 3DA

FIRST FOLD

THIRD FOLD