



Hardy Plc

Interim Financial Report

For the six months ended 30 September 2020

HARDY PLC
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

Michael Bretherton *Chairman*
Richard Galvin *Non-Executive Director*

COMPANY SECRETARY

Christopher Stobart

COMPANY WEBSITE

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COMPANY NUMBER

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HARDY PLC
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**HARDY PLC
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS TO 30 SEPTEMBER 2020**

The Board is pleased to report that Hardy Plc ("Hardy" or the "Company") recorded a profit of £1.76 million for the six-months ended 30 September 2020. This was achieved by adopting, until such time that Hardy is able to progress its stated strategic intention, a rigorous and highly selective short-term investment approach with a focus on defensive quoted stocks having regard for the prevailing COVID-19 environment.

The presentational currency of Hardy was changed from US\$ to £ for reporting periods commencing on 1 April 2020. This change in the reporting currency of the Company was made to reflect the fact that following the sale its wholly-owned subsidiary, Hardy Exploration & Production (India) Inc. ("HEPI") in October 2019, the Company no longer has transactions denominated in US\$ or assets and liabilities of any significant amount denominated in US\$. In accordance with accounting standards, the comparative financial information for the year ended 31 March 2020 and for the 6 months to 30 September 2019 as previously reported in US\$, has been restated into £ using the procedures outlined in note 2.1 to this interim report for the period to 30 September 2020.

Results

Hardy reported a profit after tax of £1.76 million for the six months to 30 September 2020 compared to a loss of £0.22 million in the six months ended 30 September 2019.

The improvement in profitability is principally due to short term investment returns of £1.87 million generated in the six months to 30 September 2020 by the deployment of part of the Company's cash resources in quoted stocks, partially offset by administrative expenses of £0.11 million. This compares with administrative expenses of £0.54 million in the six months to 30 September 2019, coupled with a gain of £0.28 million from the now discontinued HEPI operations, together with financial and investment income of £0.04 million.

During the six months ended 30 September 2020, the Company invested £3.51 million in quoted stocks and realised £0.03 million from short term liquidity fund investments. Hardy held five investment stocks as at 30 September 2020, four of which were quoted on the AIM market and one was FTSE quoted, and for which the total investment carrying value was £9.29 million.

The Company held cash balances of £0.53 million as at 30 September 2020, compared to cash balances of £4.45 million at the previous 31 March 2020 year end.

Net assets increased to £10.0 million (equivalent to 13.56p per share) at the 30 September 2020 balance sheet date, compared with £8.24 million (equivalent to 11.17p per share) at 31 March 2020. The £1.76 million increase in net assets reflects the profit reported for the period.

Re-registration and change of name

Following shareholder approval at the 2020 Annual General Meeting held on 17 July 2020, the name of the Company was changed from Hardy Oil and Gas Plc to Hardy Plc and it was re-registered under the Isle of Man Companies Act 2006. The 2006 Act updates and modernises Isle of Man company law and, amongst other things, removes a number of traditional company law formalities including the requirement to maintain capital (subject to solvency). Accordingly, it will now be easier for the Company to return capital to its shareholders and/or to reduce its share capital and reclassify the share premium as distributable reserves, as there is no requirement to seek approval of the Isle of Man Court. The newly registered Isle of Man company number of Hardy is 018168V.

Board Changes

Richard Galvin was an executive director of the Company until 31 May 2020 at which time he took on the role of an independent non-executive director of Hardy.

HARDY PLC
CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE SIX MONTHS TO 30 SEPTEMBER 2020

The composition of the board will be kept under review and additional director appointments are expected to be made at the appropriate time as the Company evolves from being a cash shell. Until then, we will continue to ensure that the cost base and balance of management skills of Hardy is appropriate for the reduced size of the Company following the HEPI sale.

Business model and short term investment portfolio

Following the sale of HEPI, Hardy effectively became a cash shell and no longer has any group subsidiaries. The stated strategic intention of Hardy is to use its cash resources, as enlarged by the HEPI sale, for the purposes of acquiring or establishing a company, business or asset that operates in the resources sector or other industries.

Such an investment opportunity has yet to present itself. However, the adverse and severe economic consequences of the ongoing spread of the new coronavirus, COVID-19, means that your directors will take a very cautious approach to any commitment of the majority of the Company's resources in to any such single long term investment.

In the meantime, part of the Company's resources have been deployed in short term investments in quoted stocks. The short term investments held by the Company at 30 September 2020 comprised:

Redde Northgate Plc - provides automotive services and solutions including vehicle supply, service, maintenance, repair, recovery, accident and incident management and disposal through sale or salvage;
IDOX Plc - develops specialist software and information management solutions for government, health, engineering, transport and property;

Redcentric Plc - is a managed service provider delivering network, cloud and collaboration solutions to public and private sector organisations;

Telit Communications Plc - is a global leader in Internet of Things (IoT) enablement, with an extensive portfolio of wireless connectivity modules, software platforms and global IoT connectivity services; and

Independent Oil & Gas Plc - is a UK based energy company focused on becoming a material gas developer and producer from its 50% owned and operated, low-risk offshore gas portfolio.

Subsequent to the 30 September 2020 period end, the Company committed to subscribe £0.6 million under a conditional placing by **C4X Discovery Holdings Plc** ("C4XD"). C4XD aims to create the world's most productive Drug Discovery engine by using cutting-edge technologies and expertise to efficiently deliver best-in-class small-molecule medicines to clinical partners.

Following that investment in C4XD, Hardy now has remaining cash balances of approximately £0.13 million in addition to its short term investment portfolio of six quoted stocks which are available for realisation to provide liquid funds as and when required.

Outlook

The coronavirus (Covid-19) outbreak in 2020 continues to have a negative impact on global economic activity, which, together with Brexit uncertainties and unprecedented levels of worldwide public debt, presents economic threats and uncertainties that give reason for investment caution in the near term, particularly in relation to any commitment of the majority of the Company's resources in to any single long term investment.

Your directors will, therefore, continue to maintain a rigorous and highly selective investment approach, both in terms of any long term strategic investment and also in relation to deployment of resources in short term quoted stocks where our focus has been mainly on defensive stocks in the current COVID-19 environment. We remain committed to the principles of strict cost control and delivering additional value for shareholders going forward

Michael Bretherton
Chairman
27 November 2020

HARDY PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 SEPTEMBER 2020

STATEMENT OF INCOME

		6 months ended 30 September 2020 (Unaudited) £	6 months ended 30 September 2019 (Unaudited) £	Year ended 31 March 2020 (Audited) £
	Notes			
Continuing Operations				
Revenue		-	-	-
Administrative expenses		(108,034)	(542,174)	(1,540,318)
Operating loss		(108,034)	(542,174)	(1,540,318)
Financial and investment income	5	1,865,046	36,063	288,149
Gain/(loss) before taxation and exceptional items		1,757,012	(506,111)	(1,252,169)
Gain from discontinued operations	4	-	283,448	8,009,144
Taxation		-	-	-
Gain/(loss) after taxation		1,757,012	(222,663)	6,756,975
Total gain/(loss) for the period attributable to owners of the parent		1,757,012	(222,663)	6,756,975
Gain/(loss) per ordinary share				
Basic gain/(loss) per ordinary share	6	2.4p	(0.3)p	9.2p

STATEMENT OF COMPREHENSIVE INCOME

		6 months ended 30 September 2020 (Unaudited) £	6 months ended 30 September 2019 (Unaudited) £	Year ended 31 March 2020 (Audited) £
	Notes			
Gain/(loss) for the period		1,757,012	(222,663)	6,756,975
Items of other comprehensive income				
Exchange differences arising on change in reporting currency		-	79,844	302,465
Total comprehensive gain/(loss) for the period		1,757,012	(142,819)	7,059,440

HARDY PLC
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Share capital £	Share premium reserve £	Share options reserve £	Foreign currency translation reserve £	Retained earnings reserve £	Total £
At 31 March 2019	414,925	68,249,145	82,054	23,901,473	(91,465,522)	1,182,075
Total comprehensive loss	-	-	-	79,844	(222,663)	(142,819)
At 30 September 2019	414,925	68,249,145	82,054	23,981,317	(91,688,185)	1,039,256
Total comprehensive income	-	-	-	222,621	6,979,638	7,202,259
Share options lapsed	-	-	(82,054)	-	82,054	-
At 31 March 2020	414,925	68,249,145	-	24,203,938	(84,626,493)	8,241,515
Total comprehensive income	-	-	-	-	1,757,012	1,757,012
At 30 September 2020	414,925	68,249,145	-	24,203,938	(82,869,481)	9,998,527

HARDY PLC
CONDENSED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2020

		At 30 September 2020 (Unaudited)	At 30 September 2019 (Unaudited)	At 31 March 2020 (Audited)
	Notes	£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment		-	3,843	2,218
Total non-current assets		-	3,843	2,218
Current assets				
Inventories				
Trade and other receivables		218,650	81,684	93,027
Short-term investments	5	9,287,237	2,460,331	3,949,037
Cash and cash equivalents		527,196	77,637	4,451,757
Total current assets		10,033,083	2,619,652	8,493,821
Assets held for disposal	4	-	10,511,333	-
Total assets		10,033,083	13,134,828	8,496,039
LIABILITIES				
Current liabilities				
Trade and other payables		(34,556)	(126,554)	(254,524)
Liabilities relating to disposal assets	4	-	(11,969,018)	-
Total liabilities		(34,556)	(12,095,572)	(254,524)
Net current assets		9,998,527	2,493,088	8,239,297
NET ASSETS		9,998,527	1,039,256	8,241,515
Shareholders' equity				
Share capital	7	414,925	414,925	414,925
Share premium	8	68,249,145	68,249,145	68,249,145
Share option reserve	8	-	82,054	-
Foreign currency translation reserve	8	24,203,938	23,981,317	24,203,938
Retained earnings deficit		(82,869,481)	(91,688,185)	(84,626,493)
TOTAL EQUITY		9,998,527	1,039,256	8,241,515

Approved by the Board and authorised for issue on 27 November 2020.

Michael Bretherton
Chairman

HARDY PLC
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Notes	6 months ended 30 September 2020 (Unaudited) £	6 months ended 30 September 2019 (Unaudited) £	Year ended 31 March 2020 (Audited) £
Operating activities				
Cash flow (used)/generated from operating activities	3	(451,407)	729,882	(158,516)
Tax deducted		-	(354)	-
Net cash (used)/generated from operating activities		(451,407)	729,528	(158,516)
Investing activities				
Purchase of other property, plant and equipment		-	-	(56)
Site restoration deposit			(135,077)	(134,574)
Net proceeds on disposal of discontinued operation	4	-	-	6,326,681
Cash divested with discontinued operation on disposal	4	-	-	(1,578,765)
Purchase of short-term equity investments		(3,512,418)	-	(3,719,133)
Realised from short-term liquidity fund investments		34,780	733,644	3,060,103
Net cash (used)/generated from investing activities		(3,477,638)	598,567	3,954,256
Financing activities				
Interest and investment income		4,484	171,175	234,069
Net cash generated from financing activities		4,484	171,175	234,069
Net (decrease)/increase in cash and cash equivalents		(3,924,561)	1,499,270	4,029,809
Exchange differences arising on change in reporting currency		-	67,432	267,281
Cash and cash equivalents at beginning of the period		4,451,757	154,667	154,667
Cash and cash equivalents at end of the period		527,196	1,721,369	4,451,757
Represented by cash and cash equivalents within:				
Current assets		527,196	77,637	4,451,757
Assets held for disposal		-	1,643,732	-
Cash and cash equivalents at end of the period		527,196	1,721,369	4,451,757

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

1) BASIS OF PREPARATION

The interim financial statements of Hardy Plc are unaudited condensed financial statements for the six months ended 30 September 2020. These include unaudited comparatives for the six months ended 30 September 2019 together with audited comparatives for the year ended 31 March 2020.

The financial information for the six months ended 30 September 2020 does not constitute statutory financial statements within the meaning of the Isle of Man Companies Act 2006. A copy of the audited financial statements for the year ended 31 March 2020 is available on the Company's website. The auditor's opinion on those financial statements was unqualified and did not draw attention to any matters by way of an emphasis of matter paragraph.

These interim condensed financial statements have been prepared on the basis of the accounting policies expected to apply for the financial year to 31 March 2021 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), in accordance with the provisions of the Isle of Man Companies Act 2006, applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The Company's presentation and functional currency is Sterling.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting', and should be read in conjunction with the Company's annual financial statements to 31 March 2020. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2020.

Going concern

Information on the business environment, financial position and the factors underpinning the Company's prospects are included in the Chairman's Statement. The Directors acknowledge the ongoing Coronavirus pandemic ("Covid-19") and the adverse impact it, and the measures taken to tackle it, continue to have on the global economy. The impact of the pandemic on the Company and its investments cannot be quantified, however the Directors consider that there is no immediate expectation for the Covid-19 to affect the going concern status of the Company. The Directors will continue to closely monitor the ongoing impact of Covid-19 on the Company's operations. The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Hardy Oil and Gas Plc for the year ended 31 March 2020 except for a change in the reporting currency of the Company to GBP(£), as described in Note 2.1 below. The change in reporting currency is a change in accounting policy and has been accounted for retrospectively in line with IAS 8.

2.1 Functional and Presentational Currency

The presentational currency of the Company was changed during the year from USD(\$) to GBP(£). This change in the reporting currency of the Company was made to reflect the fact that the Company no longer

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

has US Dollar based operations, assets or significant transactions denominated in US Dollars.

The functional currency of the Company continues to be that of the primary economic environment in which the Company operates which is £. This is the currency in which expenses are incurred, salaries are paid and equity funds were historically raised.

Given the functional currency of the Company continues to be £ no translation of the current financial period trading results to 30 September 2020, or the balance sheet figures at that date was required, and these figures have simply been presented in £.

A change in presentational currency is classified as a change in accounting policy which is accounted for retrospectively. In accordance with accounting standards the statutory financial information included in the Company's annual report for the year ended 31 March 2020 previously reported in \$ has been restated into £ using the procedures outlined below:

- assets and liabilities denominated in non £ currencies were translated into sterling at closing rates of exchange;
- Non £ trading results were translated into £ at average rates of exchange;
- Share Capital, share premium and other reserves were translated at the historic rates prevalent at the dates of transactions; and
- foreign exchange translation differences resulting from the above retranslations have been taken to a Foreign Currency Translation Reserve.

The exchange rate applied to restate the 31 March 2020 balance sheet figures was \$1.2379 per £1 and the average exchange rate used to restate the result for the year then ended 31 March 2020 was \$1.2789 per £1.

The exchange rate applied to restate the 30 September 2019 balance sheet figures was \$1.2284 per £1 and the average exchange rate used to restate the result for the 6 month period then ended 30 September 2019 was \$1.2742 per £1.

3) RECONCILIATION OF OPERATING LOSS TO OPERATING CASHFLOWS

	6 months ended 30 September 2020 (Unaudited) £	6 months ended 30 September 2019 (Unaudited) £	Year ended 31 March 2020 (Audited) £
Operating loss from continuing operations	(108,034)	(542,174)	(1,540,318)
Operating profit of discontinued operations (note 4)	-	148,343	147,792
	(108,034)	(393,831)	(1,392,526)
Depletion, amortisation and depreciation	2,218	3,552	5,138
Increase in trade and other receivables	(125,623)	(180,220)	(191,487)
(Decrease)/increase in trade and other payables	(219,968)	1,300,381	1,420,359
Cash (used in) / generated from operating activities	(451,407)	729,882	(158,516)

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

4) DISCONTINUED OPERATIONS AND ASSETS HELD FOR DISPOSAL

On 2 October 2019, the Company completed the sale of its wholly-owned subsidiary, Hardy Exploration & Production (India) Inc. ("HEPI") to Invenire Energy Private Ltd for a gross consideration of £6,841,550 (US\$8,750,000). At 30 September 2019, assets and liabilities relating to HEPI were classified as "Assets held for disposal" and as "Liabilities relating to disposal assets". The subsequent sale of HEPI generated a profit of £7,762,751 on disposal and deconsolidation of the related net liabilities as follows:

	£	£
Gross consideration		6,841,550
Less costs of disposal		(514,869)
Net Proceeds		6,326,681
Less net liabilities/(assets) deconsolidated		
Property, plant and equipment	(5,915)	
Site restoration deposits	(4,104,087)	
Inventories	(15,638)	
Trade and other receivables	(4,391,473)	
Cash and cash equivalents	(1,578,765)	
Trade and other payables	8,481,761	
Provision for decommissioning	3,014,187	
Net liabilities deconsolidated	1,400,070	1,400,070
Profit on disposal of discontinued operations		7,726,751

The above profit of £7,726,751 on disposal, together with HEPI profits of £282,393 generated on ordinary activities after tax up until deconsolidation on 2 October 2019, gives a total profit from discontinued operations of £8,009,144 in the year to 31 March 2020 as set out below:

Results of discontinued operations in year to 31 March 2020

	£
Revenue	-
Production cost	(32,045)
Administrative expenses	179,837
Impairment	-
Operating gain	147,792
Financial income	134,601
Gain on ordinary activities before taxation	282,393
Taxation	-
Gain on ordinary activities after taxation	282,393
Profit on disposal of discontinued operation	7,726,751
Tax on disposal of discontinued operation	-
Total gain from discontinued operations	8,009,144

The above discontinued operations operating gain of £147,792 generated up until deconsolidation includes £148,343 that arose in the 6 months to 30 September 2019 and the above discontinued operations total gain of £282,393 generated on ordinary activities up until deconsolidation includes £283,448 that arose in the 6 months to 30 September 2019.

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

5) SHORT TERM INVESTMENTS

	6 months ended 30 September 2020 (Unaudited)	6 months ended 30 September 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
	£	£	£
Equity investments	9,287,050	-	3,914,070
HSBC \$ Liquidity Fund	-	2,460,144	34,780
HSBC £ Liquidity Fund	187	187	187
	9,287,237	2,460,331	3,949,037

The above investments are in quoted equity investments and liquid funds which can be converted into cash at short notice. The fair value of these investments approximates book values as at 30 September 2020, 31 March 2020 and 30 September 2019.

6) EARNINGS / (LOSS) PER SHARE

Basic earnings or loss per share is calculated by dividing the gain attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings or loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. No diluted loss per share is calculated.

	6 months ended 30 September 2020 (Unaudited)	6 months ended 30 September 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
	£	£	£
Gain/(loss) for the period (£)	1,757,012	(222,663)	6,756,975
Weighted average number of shares	73,764,035	73,764,035	73,764,035
Earnings/(loss) per ordinary share	2.4p	(0.3p)	9.2p

7) SHARE CAPITAL

Ordinary Shares of \$0.01	Number	£
Authorised ordinary shares		
At 30 September 2019 and 31 March 2020	200,000,000	1,615,639
At 30 September 2020	200,000,000	1,615,639
Allotted, issued and fully paid ordinary shares		
At 30 September 2019 and 31 March 2020	73,764,035	414,925
At 30 September 2020	73,764,035	414,925

A total of 73,764,035 ordinary shares, each with a nominal value of \$0.01 were in issue at the period end.

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

8) RESERVES

	Share premium reserve £	Share option reserve £	Foreign currency translation reserve £
At 30 September 2019	68,249,145	82,054	23,981,317
Share options lapsed	-	(82,054)	-
Exchange differences arising on change in reporting currency	-	-	222,621
At 31 March 2020 and 30 September 2020	68,429,145	-	24,203,938

The share premium reserve represents the excess of the amount subscribed for share capital over the nominal value of the shares, net of share issue expenses.

The share option reserve was eliminated when all remaining options lapsed in the year to 31 March 2020.

The foreign currency translation reserve arose on the change in presentational currency from \$ to £ in line with the retrospective change in accounting policy described in Note 2.1.

9) RELATED PARTY TRANSACTIONS

During the period the Company paid remuneration to the Directors' in accordance with their service contracts and letters of appointment.

10) HALF YEAR INTERIM REPORT

A copy of this half year interim report, as well as the annual statutory accounts to 31 March 2020 are available on the Company's website at www.hardyplc.com.