



Hardy Plc

Interim Financial Report

For the six months ended 30 September 2023

HARDY PLC
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

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

COMPANY SECRETARY

Christopher Stobart

COMPANY WEBSITE

www.hardyplc.com

COMPANY NUMBER

018168V (Isle of Man)

REGISTRAR AND REGISTERED OFFICE

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Ordnance House
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INDEPENDENT AUDITOR

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HARDY PLC
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HARDY PLC
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

Hardy reported a profit after tax of £0.30 million for the six month interim period to 30 September 2023 compared to a loss of £0.70 million in the six months ended 30 September 2022.

This half year profit result comprised net unrealised gains of £0.25 million on short term investments, together with realised gains of £0.03 million on the sale of such investments and dividend income of £0.08 million, partially offset by administrative costs of £0.06 million. The comparative 2022 half year result included a loss of £0.69 million on short term investments, together with administrative costs of £0.05 million, partially offset by dividend income of £0.04 million.

During the six month period ended 30 September 2023, the Company invested £0.21 million in a follow on quoted short term investment and realised cash of £0.09 million from a small partial sale of 1 of its investments. Hardy held 6 short term investments, (inclusive of a derivative trading instrument) as at 30 September 2023, 5 of which were quoted on the AIM market and 1 was private. The total investment carrying value of these investments at 30 September 2023 was £7.27 million (31 March 2023: £6.88 million represented by 6 investment holdings).

The Company held cash balances of £0.09 million as at 30 September 2023, compared to cash balances of £0.10 million at the previous 31 March 2023 year end.

Net assets decreased to £7.32 million (equivalent to 9.93p per share) at the 30 September 2023 balance sheet date, compared with £7.02 million (equivalent to 9.52p per share) at 31 March 2023. The £0.30 million increase in net assets reflects the gain reported for the period.

Business model and short term investment portfolio

Following the sale of the Company's Hardy Exploration & Production (India) Inc. ("HEPI") subsidiary in October 2019, Hardy effectively became a cash shell with a stated strategic intention 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, given the challenging economic outlook, your directors continue to 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, the Company has deployed its resources in to short term investments with a view to earning a return for shareholders in the interim period. The short term investments held by the Company at 30 September 2023 comprised:

- **Telit IOT Solutions Limited** - 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;
- **NIOX Group Plc** – is a dedicated diagnosis and management company focused on asthma. Their market- leading NIOX products are used to help improve asthma diagnosis and management;
- **IQE Plc** – is a leading supplier of compound semiconductor wafer products and advance material solutions to the global semiconductor industry;
- **Redcentric Plc** – is a managed service provider delivering network, cloud and collaboration solutions to public and private sector organisations;
- **Cirata Plc (formerly Wandisco Plc)** – is a proprietary technology company which accelerates data-driven revenue growth by automating data transfer and integration to modern cloud analytics and AI platforms without downtime or disruption.
- **C4X Discovery Holdings Plc** - 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.

Outlook

The global economy proved more resilient than expected in the first half of 2023, but the growth outlook in the coming year remains weak given the real risk that core inflation could prove more persistent than expected and with interest rates remaining higher for longer. In addition, continued volatility in financial markets is expected given numerous significant geopolitical issues, including the terrible current conflicts in Gaza and Ukraine, together with ongoing trade tensions between the US and China.

In view of the above risks and uncertainties, your Board will 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. We remain committed to the principles of strict cost control and delivering additional value for shareholders going forward.

As part of that delivering additional value for shareholders process, and as alluded to in the Company's annual report for the year ended 31 March 2023, the Board has decided to evaluate a range of strategic options for the Company. These will include whether to continue to seek a long-term strategic investment or to transition to a pure short-term investment company and /or to return further capital to shareholders following on from the capital distribution of 12 pence in cash per share that was paid to all shareholders in November 2021 and which amounted to £8.85 million in total. That evaluation remains ongoing, but we expect to have reached a decision ahead of publication of our FY2024 Annual Report.

Michael Bretherton

Chairman
29 November 2023

HARDY PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

		6 months ended 30 September 2023 (Unaudited) £'000	6 months ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Revenue		-	-	-
Administrative expenses		(58)	(53)	(111)
Operating loss		(58)	(53)	(111)
Financial and investment gain/(loss)	4	355	(645)	(714)
Profit/(loss) before taxation		297	(698)	(825)
Taxation		-	-	-
Profit/(loss) after taxation		297	(698)	(825)
Profit/(loss) per ordinary share				
Basic and diluted	5	0.40p	(0.95p)	(1.12p)

All activities are in respect of continuing operations and there are no other items of comprehensive income.

HARDY PLC
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Share capital £'000	Retained earnings reserve £'000	Total £'000
At 31 March 2022	738	7,113	7,851
Total comprehensive loss	-	(698)	(698)
At 30 September 2022	738	6,415	7,153
Total comprehensive loss	-	(127)	(127)
At 31 March 2023	738	6,288	7,026
Total comprehensive gain	-	297	297
At 30 September 2023	738	6,585	7,323

HARDY PLC
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

		At 30 September 2023 (Unaudited) £'000	At 30 September 2022 (Unaudited) £'000	At 31 March 2023 (Audited) £'000
	Notes			
ASSETS				
Current assets				
Trade and other receivables		3	110	90
Short-term investments	3	7,272	7,014	6,884
Cash and cash equivalents		89	72	101
Total assets		7,364	7,196	7,075
LIABILITIES				
Current liabilities				
Trade and other payables		(41)	(43)	(49)
Total liabilities		(41)	(43)	(49)
NET ASSETS				
		7,323	7,153	7,026
Shareholders' equity				
Share capital	6	738	738	738
Retained earnings		6,585	6,415	6,288
TOTAL EQUITY		7,323	7,153	7,026

Approved by the Board and authorised for issue on 29 November 2023.

Michael Bretherton
Chairman

HARDY PLC
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Notes	6 months ended 30 September 2023 (Unaudited) £'000	6 months ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Operating activities				
Operating loss		(58)	(53)	(111)
Decrease in trade and other receivables		87	1,570	1,590
Decrease in trade and other payables		(8)	(23)	(17)
Net cash generated from operating activities		21	1,494	1,462
Short-term investing activities				
Purchase of short-term equity investments		(207)	(3,357)	(4,115)
Proceeds realised from short-term investments		92	1,797	2,600
Net cash used in investing activities		(115)	(1,560)	(1,515)
Financing activities				
Dividend and interest income	4	82	43	59
Net cash generated from financing activities		82	43	59
Net (decrease)/increase in cash and cash equivalents		(12)	(23)	6
Cash and cash equivalents at beginning of the period		101	95	95
Cash and cash equivalents at end of the period		89	72	101

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

1) BASIS OF PREPARATION

The interim financial statements of Hardy Plc are unaudited condensed financial statements for the six months ended 30 September 2023. These include unaudited comparatives for the six months ended 30 September 2022 together with audited comparatives for the year ended 31 March 2023.

The financial information for the six months ended 30 September 2023 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 2023 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 2024 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK), 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 2023. 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 United Kingdom 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 2023.

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 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 Plc for the year ended 31 March 2023.

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

3) SHORT TERM INVESTMENTS

	6 months ended 30 September 2023 (Unaudited) £'000	6 months ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Quoted equity investments	4,449	4,191	4,061
Unquoted equity investment	2,823	2,823	2,823
Quoted derivative trading asset	-	-	-
	7,272	7,014	6,884

The Company's short-term investments in quoted equity investments can be converted into cash at short notice.

The unquoted equity investment reflects a transfer from quoted equity investments on 31 August 2021 when the acquisition of Telit Communications Plc was completed by a private company in which Hardy received unquoted shares in consideration for its quoted holding in Telit.

The derivative trading asset reflects share warrants in a listed company which are currently considered to have a nil value.

The fair value of these investment holdings approximates their book values as at 30 September 2023, 31 March 2023 and 30 September 2022.

4) FINANCIAL AND INVESTMENT INCOME

	6 months ended 30 September 2023 (Unaudited) £'000	6 months ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Unrealised gain / (loss) on investments	246	(1,640)	(1,294)
Realised gains on disposal of investments	27	952	521
Dividend and interest income	82	43	59
	355	(645)	(714)

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

5) 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. There were no dilutive ordinary shares in issue during the period.

	6 months ended 30 September 2023 (Unaudited)	6 months ended 30 September 2022 (Unaudited)	Year ended 31 March 2023 (Audited)
Profit / (loss) for the period (£'000)	297	(698)	(825)
Weighted average no. of shares ('000)	73,764	73,764	73,764
Earnings / (loss) per ordinary share	0.40p	(0.95p)	(1.12p)

6) SHARE CAPITAL

Ordinary Shares of £0.01	Number	£'000
Authorised ordinary shares		
At 30 September 2023 , 30 September 2022 and March 2023	200,000,000	2,000
Allotted, issued and fully paid ordinary shares		
At 30 September 2023, 30 September 2022 and March 2023	73,764,035	738

7) RELATED PARTY TRANSACTIONS

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

8) EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date which require reporting or adjustment through the interim report.

9) HALF YEAR INTERIM REPORT

A copy of this half year interim report, as well as the annual statutory accounts to 31 March 2023, are available on the Company's website at www.hardyplc.com.