

PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

Company Number 05341336



PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

Company registration number: 05341336

Registered office: Hampden House
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Directors: J Gibson (Chief Executive Officer)
M G Wyllie (Chief Scientific Officer)

Company Secretary: R Tayong

Bankers: Lloyds Bank
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PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

Highlights

- On 15 December 2015, Plethora Solutions Holdings plc ("the Company" or "Plethora") announced that Michael Wyllie, the independent director of the Company had agreed the terms of a recommended share-for-share takeover offer with Regent Pacific Group Limited ("**Regent Pacific**") by means of a scheme of arrangement of Plethora in the UK under Part 26 of the Companies Act. Regent Pacific has subsequently acquired the entire issued and to be issued ordinary share capital of the Company not already directly or indirectly owned by Regent Pacific (the "**Transaction**") making Plethora a wholly owned subsidiary of Regent Pacific with effect from 9 March 2016.
- Positive progress made in the redesign and manufacture of the PSD502® reduced fill product for the treatment of premature ejaculation ("PE") with three GMP batches manufactured by Pharmaserve North-West ("**Pharmaserve**") and placed on stability with Catalent (RTP).
- Appointment of Catalent (RTP) as the Company's US development partner for the reduced fill product
- Further progression of the New Drug Application ("**NDA**") with the U.S. Food and Drug Administration ("**FDA**")
- Discussions with new potential licensing partners for PSD502® in other geographical regions at an advanced stage
- Completion of the transfer of the Sharwood agreement to Regent Pacific, which provides for reduced tiered royalty rates payable by the Company capped at maximum amount of £4.6 million
- Conversion of £1.6 million of the Group's £2 million of long term debt into equity; and
- Plethora made a reduced net loss of £5.6 million (2014: restated loss of £16.2 million) and had a cash balance as at 31 December 2015 of £0.1 million (2014: £5.1 million)

Introduction

The Company continues to be focused on the development and commercialisation of its principal pharmaceutical product PSD502®, which is believed to have significant potential value based on the prevalence of premature ejaculation and the lack of a widely available effective treatment. The financial year has seen the Group make further progress in three important areas:

1. The redesign and manufacture of a reduced fill can ("**Reduced Fill Product**") in preparation for its commercial launch by Recordati in the EU;
2. Preparations for the filing of the NDA with the US FDA; and
3. Discussions with new potential commercial partners with regards to licensing PSD502® in other geographical regions.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

Operations Update

During the year Plethora has continued to prepare for the initial commercial launch of the PSD502® reduced fill can in the EU by Recordati, currently anticipated during the latter half of 2016.

The key objectives are to:

- Complete 3 GMP batches, including at least 3 months of stability of the reduced fill can;
- Obtain the EU approval variation by 30 June 2016 for the Reduced Fill Product, such that Plethora can obtain the milestone payment of €6 million from Recordati; and
- Manufacture of the 20-dose product under GMP conditions and in compliance with the existing EMA approval to avoid any risk of the Sunset date being invoked in the EU by November 2016.

By way of background, the initial development studies aimed at developing the Reduced Fill Product of PSD502® resulted in selection of a 4.3g fill weight in the current EU Marketing Authorisation ("MA") approved 17ml container closure system. However, as announced in our Final Results for the year ended 31 December 2014, when manufactured under development conditions this product generated data that did not support this fill weight and container closure system as a candidate suitable for further development.

Since then additional feasibility and development work has been completed at Pharmaserve North-West ("Pharmaserve" or "PSNW") and also Catalent (RTP), the registered finished product manufacturer for PSD502® in respect of the EU MA. Multiple fill weights, ranging from 5g to 7.7g, and container closure system combinations in 17ml and 10ml cans were investigated to identify the optimum fill weight/container closure system combination for further development and manufacture.

Manufacture of the feasibility batches was completed at both PSNW and Catalent (RTP) in July 2015. The necessary studies and generation of data to enable selection of a fill weight/container closure system combination was completed in October 2015.

Since then production of the reduced fill can has progressed in line with the revised schedule, with all three good manufacturing practice ("GMP") batches successfully completed in December 2015 by Pharmaserve. These batches are now on stability testing with Catalent in the UK. Plethora expect Recordati to commercially launch the product in the European Union during the latter half of 2016, and under the terms of the Company's licence agreement with Recordati a receipt of up to €10 million in total is due upon first commercial sales of PSD502® in France, Germany, Italy, Spain and Portugal (being a payment of €2 million in respect of each of these five countries).

To avoid any risk of the Sunset date of the existing EMA approval of PSD502® being invoked leading to withdrawal of marketing authorisation, it is intended for the 20-dose product to be manufactured by Catalent (RTP) and launched in a single EU market prior to the Sunset date of November 2016. Catalent (RTP) is the registered manufacturing site for the EU MA. Manufacture of the 20 dose can by Catalent (RTP) is expected to occur in early Q2 2016.

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STRATEGIC REPORT

New Drug Application (NDA) with the US FDA

Plethora, through its US regulatory consultant, is in the process of submitting an NDA with the FDA. Plethora has made significant progress in the preparation for the start of the supplementary Phase III clinical study required by the FDA for the completion of an NDA. Plethora is interacting with the FDA with agreement achieved on the final form and content of the Patient Reported Outcome (PRO or PE) questionnaire or the "copyrightable" PEBEQ (Premature Ejaculation Bothersome Evaluation Questionnaire) to be used in this supplementary Phase III clinical study. The PRO was submitted to the FDA in March 2016. The Phase III clinical study is anticipated to start in Q3 2016. It is therefore expected that the NDA will be filed with the US FDA in Q2 2017 and in accordance with mandates set forth by the Prescription Drug User Fee Act (PDUFA date), the FDA will be required to respond to the dossier within a 10 month timescale, which would facilitate approval in the USA by Q2 2018 and a commercial launch shortly thereafter.

Licensing Opportunities

Discussions and negotiations are currently taking place with:

- (i) A global pharmaceutical company for 'out licensing' the rights by Plethora in respect of PSD502® for certain countries in LATAM, Asia Pacific (including Australia) and South Africa. The parties have entered into non-binding heads of terms and have moved into discussions on the licence agreement which anticipate an up-front payment to Plethora followed by additional payments upon the achievement of certain milestones plus royalties linked to sales.
- (ii) A multinational pharmaceutical company for 'out licensing' of rights by Plethora in respect of PSD502® for countries in the Middle East region. The parties have entered into non-binding heads of terms and have moved into discussions on the licence agreement which anticipate an up-front payment to Plethora followed by additional payments upon the achievement of certain milestones plus royalties linked to sales.

Negotiations continue for licensing out PSD502® with both these pharmaceutical companies and with other strategic commercial marketing partners on normal commercial terms. However, negotiations will not complete (whether successfully or not) until either or both of Catalent (RTP) and PSNW can manufacture under good manufacture practice conditions a Reduced Fill Product, which meet the minimum specifications after three months stability. Therefore it is not possible to determine with accuracy the timing of completion of such agreements and no assurance can be given that negotiations will lead to a binding licensing agreement(s) as described in (i) and/or (ii) above or at all. The Company hopes to be in a position to make further announcements relating to its out licensing activities after completion of successful GMP batches of the Reduced Fill Product, including the stability studies that are being undertaken.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

Intellectual Property Rights

The patents and Special Protection Certificates have been transferred to the Group from Dr. Richard Henry completing the transfers of the IP to the Group in respect of PSD502® and final payment of US\$250,000 has been made to Dr. Richard Henry.

Trading Update / Going concern

As at 31 December 2015 Plethora had cash resources of £0.1 million. As a consequence of this limited cash resource and the committed and expected expenditure of Plethora over the subsequent short term period, a loan agreement was entered into between Regent Pacific and Plethora on 23 December 2015, pursuant to which Regent Pacific provided a loan facility of up to £1,000,000 to Plethora for general working capital purposes. No funds were drawn down before year end. However, by the beginning of March 2016, Plethora had fully drawn down the loan facility. On 9 March 2016, the Scheme was sanctioned by court hearing and became effective making Plethora a wholly owned subsidiary of Regent Pacific whereby Regent Pacific have committed to providing further necessary financial resources for Plethora to continue to trade as a going concern where required.

During the financial year ended 31 December 2015, the Group recorded a loss for the year of £5.6m (2014: restated loss of £16.2m).

The total operating costs for the financial year ended 31 December 2015 were £7.9m (2014: £20.1m), which included (i) R&D costs related to the regulatory development of PSD502® of £2.9m (2014: £2.7m), and (ii) administrative and an exceptional expenses of £5.0m (2014: £17.3m).

Underlying R&D costs and administrative expenses for the financial year ended 31 December 2015 were broadly lower than the Board's expectations, before adjustments being made to account for non-cash related share option costs. R&D costs are currently been driven by the project to establish a manufacturing line with the Company's manufacturing partners PSNW and Catalent (RTP) and the subsequent manufacture of development and GMP batches of the reduced fill can. Manufacturing set up costs are expected to fall significantly following the year ended 31 December 2015, but the overall level of expenditure is expected to be maintained as the US FDA approval process begins to gather pace following the issue of the first good manufactured practice batches.

Net finance income of £2.1m (2014: restated income of £nil) was recognised in the financial year ended 2015. This credit was generated as a result of fair valuing the Company's warrant instruments as at 31 December 2015 which generated a £2.3m credit (2014 restated: £0.9m credit) offset by the interest charge and unwind of the discount applied to the Company's borrowings in 2015 of £0.2m cost (2014: £0.9m).

On the basis that all R&D expenditure is expensed, there were no significant balance sheet movements to comment upon during the financial year ended 31 December 2015.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

Trading Update / Going concern (continued)

As at 31 December 2015, the Group had cash resources of £0.1m (31 December 2014: £5.1m) and trade and other receivables of £0.8m (2014: £0.5m). In addition the Group had trade creditors of £0.6m (2014: £0.3m) and accruals £0.3m (2014: £0.7m). The Group had net liabilities of £3.4m (2014: £3.6m).

BORROWINGS

At 31 December 2015, the Group had total borrowings of £3,260,000 (2014: restated £8,185,000), full details of which are set out in Note 19.

On 31 March 2015, under the terms of the refinancing agreements entered into during March 2013, the Company received notice from its debt holders to convert £1,629,595 of the £1,969,595 debt in issue. Interest on the loan notes was accrued in accordance with the restructuring agreement of 18 March 2013 and an amount of £1,216,124 had accrued and was converted to new Ordinary Shares. Following this notice, 142,285,957 new Ordinary Shares were issued as payment for interest accrued totalling £1,216,124 and £1,629,595 nominal value of the convertible debt taking the total enlarged capital to 823,297,686 Ordinary Shares.

The outstanding Mellon Bridge loan of £340,000 will accrue a yield of 5% per annum payable quarterly in arrears in cash and to be repaid on 31 March 2020. Upon redemption the loan may, at the option of the bearer, be converted into new Ordinary Shares at a price of 2p per share. Subsequent to the year end, the Mellon Bridge loan was converted into new shares of Regent Pacific in accordance with the terms of the Transaction.

The Offer

On 15 December 2015, the Board of Regent Pacific and the Company's Independent Plethora Director announced that they had reached agreement on the terms of the Transaction. On 15 December 2015, Regent Pacific and Plethora made a joint announcement in the United Kingdom by way of a firm offer announcement pursuant to Rule 2.7 of the UK Takeover Code (both announcements, the "Firm Offer Announcements") and also on the same day Regent Pacific made its announcement in Hong Kong by way of a very substantial and connected transaction announcement. It was proposed that the Transaction be effected by means of a Court-sanctioned scheme of arrangement of Plethora in the UK under Part 26 of the Companies Act (although Regent Pacific reserved the right to effect the transaction by way of a traditional takeover offer). Following on from the Firm Offer Announcements, on 4 February 2016 the Company dispatched its very substantial and connected acquisition circular in respect of the transaction to its shareholders and, on the same date, Plethora dispatched its scheme document in the UK to its shareholders. The Scheme required, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court which was received on 2 March 2016.

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STRATEGIC REPORT

The Offer (continued)

The Scheme provided that all of the Scheme Shares not already directly or indirectly owned by Regent Pacific be transferred to Regent Pacific. In exchange, under the terms of the Scheme, all Scheme Shareholders at the Scheme Record Time were entitled to receive for each Plethora share, 15.7076 New Regent Pacific Shares which as at 14 December 2015 (being the last Business Day prior to the publication of this Announcement), the Offer represented an indicative value for each Plethora Share of 11.65 pence per share and valued the entire issued ordinary share capital of Plethora at approximately £95.94 million and valued the fully diluted share capital at approximately £114.33 million. Under the terms of the Offer, Plethora Shareholders (other than Regent Pacific) received approximately 11,568,619,063 New Regent Pacific Shares representing approximately 65.98 per cent of the combined group.

Following the scheme court hearing to sanction the scheme on 2 March 2016, all requisite approvals for the transaction were obtained and the scheme of arrangement became effective on 9 March 2016, rendering Plethora now a wholly-owned subsidiary of the Company.

Outlook

The Group is on track in relation to all its key performance measures as it moves along the path with its manufacturing partners to producing a commercially viable Reduced Fill Product, filing its NDA with the FDA and bringing PSD502® to market through its strategic commercial partners.

Now that the 3 GMP batches of the Reduced Fill Product have been manufactured, Plethora will continue to work with its manufacturing partners for the completion of the stability studies and the eventual commercial release of the GMP batches of the Reduced Fill Product, with the aim of obtaining EU approval variation by 30 June 2016. This would release a further €6 million milestone receipt from the Plethora's commercial partner Recordati and enable the commercial launch of the product by Recordati in the EU during the latter half of 2016.

Negotiations with new potential licensing partners covering other geographies outside of those included in the agreement with Recordati are now at an advanced stage. The completion of these negotiations is dependent on the production of GMP batches that have met specifications after stability studies have been completed of the Reduced Fill Product by our manufacturing partners.

The Phase III clinical study for the NDA is anticipated to start in Q3 2016. It is therefore expected that the NDA will be filed with the US FDA in Q2 2017 and in accordance with mandates set forth by the Prescription Drug User Fee Act (PDUFA date), the FDA will be required to respond to the dossier within a 10 month timescale, which would facilitate approval in the USA by Q2 2018 and a commercial launch shortly thereafter.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

PRINCIPAL BUSINESS AND NON-FINANCIAL RISKS AND UNCERTAINTIES

The Group's principal business risks are:

- (i) the timing and quantum of receipt of upfront, milestone and royalty income from marketing partners which in itself is dependent on the successful partnering and commercial launch of PSD502®;
- (ii) the management of the Group's cost base and maintaining adequate working capital and ensuring sufficient funds are made available to complete the ongoing regulatory approval processes and bringing PSD502® to market;
- (iii) the retention of key employees to complete the commercialisation process;
- (iv) delays and other unforeseen disruptions to the manufacturing and regulatory approval projects which could have an adverse impact on the commercial launch of PSD502® and future revenues; and
- (v) the exposure to competition from new generic entrants into the market as a result of loss or expiry of intellectual property and patent rights.

The board monitors the performance of its consultants and agents and produces business forecasts on a regular basis to monitor the funding requirements of the business. These are constantly reviewed by the board as part of the monthly reporting process and at board meetings.

The Group's intellectual property rights in relation to PSD502® in the European Union are protected by patent rights that run up to 2016. Applications have been submitted for Special Protection Certificates in each of the relevant countries in the European Union, which will provide an additional five years of patent protection up to March 2021. In addition to these patent rights, the Group has been advised that it will benefit from data exclusivity in relation to its dossier until November 2021 with an additional marketing exclusivity period (which prevents a generic from using Plethora's data and launching a product) up to 2023.

In the USA, the patent term expired in March 2015. Upon approval, a patent extension of up to 5 years may be available to compensate for the delay in the regulatory process. In relation to data exclusivity, FDA approval will facilitate a period of protection for 3 years from the date of notification with the possibility of a further 2 year extension if the combination product can be classified as a new chemical entity.

KEY PERFORMANCE INDICATORS

The Directors consider cost control and the management of cash to ensure the Group's ability to achieve its regulatory and commercial targets to be the key financial performance indicators of the Group. The cash and any funding requirements of the business are reviewed on a regular basis by the board. The Group has made significant progress in reducing administrative overheads during the year and has been successful in raising new capital from its investors to meet the ongoing needs of the business as explained above.

The Directors consider the successful completion of the manufacturing project, the commercialisation of PSD502® in Europe and the product's regulatory approval in the USA as non-financial key performance indicators.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

GOING CONCERN

Given the current stage in the development of PSD502®, the Group did not generate any revenues during the year. The Group has no bank debt or any other senior debt facilities. The Directors have prepared detailed cash flow forecasts through to the end of the 2017 that show that the Group with the financial support of its parent company, Regent Pacific, has adequate working capital to meet its immediate needs as a result of the expected future milestone and royalty revenues from the commercialisation of PSD502®, following approval of six dose canister.

Consequently, the Directors have concluded that it is appropriate to prepare the Group's financial statements on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future based on the financial support of Regent Pacific. Nevertheless, there are risks in relation to the timing of the approval of the new Reduced Fill Product, the timing and extent of upfront milestone receipts relating to other territories, the costs associated in setting up GMP production lines in the EU and USA and the costs associated with the New Drug Application with the FDA.

Approved by the board and signed on its behalf by



Mike Wyllie
Chief Scientific Officer

30 March 2016

PLETHORA SOLUTIONS HOLDINGS PLC

DIRECTORS' REPORT

The Directors present their annual report together with the audited consolidated and parent company financial statements for the year ended 31 December 2015.

Principal activities

The Group's principal activity is the development and commercialisation of pharmaceutical treatments for premature ejaculation in the area of men's sexual health.

Business review

The business review is detailed in the Strategic report in addition to commentary in relation to the Going Concern status of the Group and Research & Development activities during the year. The prior financial statements have been restated to correct a change in significant accounting estimates in respect of the revaluation of warrant instruments. The impact on the Consolidated Income Statement for 2014 has been a \$469,000 increase in loss for the year from £15,691,000 to £16,160,000. The borrowings figure for 2014 has increased by £760,000. The opening balances at 1 January 2014 of borrowings figure and accumulated losses reserve were also increased by £291,000 following the restatement.

The Group recorded a loss for the year after taxation of £5,645,000 (2014 (restated): £16,160,000).

The Directors do not recommend the payment of a dividend (2014: £nil).

2016 Outlook

The Group is on track in relation to all its key performance measures as it moves along the path with its manufacturing partners to producing a commercially viable Reduced Fill Product, filing its NDA with the FDA and bringing PSD502® to market through its strategic commercial partners.

Now that the 3 GMP batches of the Reduced Fill Product have been manufactured, Plethora will continue to work with its manufacturing partners for the completion of the stability studies and the eventual commercial release of the GMP batches of the Reduced Fill Product, with the aim of obtaining EU approval variation by 30 June 2016. This would release a further €6 million milestone receipt from the Plethora's commercial partner Recordati and enable the commercial launch of the product by Recordati in the EU during the latter half of 2016.

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The Phase III clinical study for the NDA is anticipated to start in Q3 2016. It is therefore expected that the NDA will be filed with the US FDA in Q2 2017 and in accordance with mandates set forth by the Prescription Drug User Fee Act (PDUFA date), the FDA will be required to respond to the dossier within a 10 month timescale, which would facilitate approval in the USA by Q2 2018 and a commercial launch shortly thereafter.

Financial risk management

The Group's financial risk management policies are disclosed in Note 21 to the financial statements.

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DIRECTORS' REPORT

Post balance sheet events

After the Balance Sheet date, the Company's share capital is wholly-owned by Regent Pacific Group Limited.

Following the sanctioning of the Scheme on 9 March 2016, J Mellon, G Bailey and A Baillieu resigned from the board with immediate effect.

Directors

The Directors of the Company who served during the year ended 31 December 2015 and up to the date of signing the financial statements, except where noted, were as follows:

J Mellon	(Resigned 9 March 2016)
M G Wyllie	
J Gibson	
M Collis	(Resigned 30 May 2015)
G Bailey	(Resigned 9 March 2016)
A Baillieu	(Appointed 12 May 2015 and resigned 9 March 2016)

Directors' indemnities

The Company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Share capital

Details of the Company's share capital, including the number of shares issued in the year under review, are given in Note 22 to the financial statements. The Group's policy for managing capital and financing to support the activities of the Group is detailed in Note 21 to the financial statements.

Substantial shareholdings

As of 9 March 2016, the Company's shares were acquired and exchanged for new Regent Pacific Group shares the exchange ratio 15.7076, making Plethora Solutions Holdings plc a wholly owned subsidiary of Regent Pacific.

Health and safety

Plethora recognises its responsibility to ensure that it only allows its workers to work in as safe a working environment as possible and implement a system of checks to ensure compliance with Health and Safety legislation.

PLETHORA SOLUTIONS HOLDINGS PLC

DIRECTORS' REPORT

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the group and the company and of the 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company and 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, each of the persons who is a director at the date of the approval of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP offer themselves for reappointment as auditors in accordance with section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD

Mike Wyllie
Director



30 March 2016

PLETHORA SOLUTIONS HOLDINGS PLC

REMUNERATION REPORT

Directors' remuneration

The Group recognises that Directors' remuneration is of legitimate concern to its stakeholders and is committed to following current best practice. The Group operates within a competitive environment; performance depends on the individual contributions of the Directors and employees, and the board believes in rewarding vision and innovation.

Policy on executive Directors' remuneration

The policy of the board is to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. Remuneration also reflects the Directors' responsibilities and contains incentives to deliver the Group's objectives. A separate remuneration committee was in place during the year and comprised of Jim Mellon (chairman of the committee) and Anthony Baillieu.

The remuneration of the Directors is summarised in the table below and has been audited:

	J Gibson £'000	M Collis £'000	M G Wyllie £'000	J Mellon £'000	A Baillieu £'000	G Bailey £'000	Total £'000
2015							
Salary and fees	364	28	169	40	17	27	645
Termination benefits	-	-	-	-	-	-	-
	364	28	169	40	17	27	645
Pension	-	-	-	-	-	-	-
Share-based compensation	1,738	6	1,146	50	-	50	2,990
	2,102	34	1,315	90	17	77	3,635
2014							
Salary and fees	36	63	156	40	-	27	322
Termination benefits	-	-	-	-	-	-	-
	36	63	156	40	-	27	322
Pension	-	-	-	-	-	-	-
Share-based compensation	55	55	660	-	-	-	770
	91	118	816	40	-	27	1,092

During 2015, £28,000 (2014: £110,000) of the fees paid to M G Wyllie were paid to Mens Health Ltd and Global Pharma Consulting. M G Wyllie is a director of Mens Health and Global Pharma Consulting.

During 2015, £27,000 (2014: £27,000) of fees paid to G Bailey were paid to Culminant Capital Inc. Greg Bailey is a director of Culminant Capital Inc.

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REMUNERATION REPORT

During 2015, £7,000 (2014: £27,000) was paid to Maven Capital Partners (UK) LLP in respect of board fees for Mr Collis' representation of Maven Capital Partners (UK) LLP's interest on the board. The remaining £21,000 (2014: £36,000) was paid to M Collis in the form of salary payments of £21,000 (2014: £2,500) and £nil (2014: £33,500) to Arc Portfolio Management Limited for M Collis' services as CFO. Mr Collis is a director and sole shareholder of Arc Portfolio Management Limited.

During 2015, £50,000 (2014: £36,000) was paid to Regent Pacific Group Limited for J Gibson's services following formal appointment as CEO on 1 January 2014.

During 2015, £17,000 (2014: £nil) of fees paid to A Baillieu were paid to Henderson Baillieu Ltd following his appointment to the board as non executive director. A Baillieu is a director of Henderson Baillieu Ltd.

Pension

None of the current executive directors receive any pension contributions or benefits in kind.

Bonuses

None of the current executive directors are entitled to any bonus arrangements. No bonuses were paid in 2015.

Share option incentives

The Group has in place a Long Term Incentive Plan (LTIP) under which awards of shares are made without payment of an exercise price. However, awards are subject to the attainment of performance criteria linked to the Group's performance. For details of vesting dates, refer to note 8 of the Financial Statements.

At 31 December 2015, the following options were held by the Directors under the Employee Share Option Plan ("ESOP"):

	At beginning of the year	Lapsed in the year	At end of the year	Exercise price
M G Wyllie	180,047	(68,571)	111,476	59p

The share options may be exercised in whole or in part at any time during the period between the third and tenth anniversary of the date of grant.

The market price as at 31 December 2015 was 4.625p and the range during the year was 7.625p to 2.75p.

PLETHORA SOLUTIONS HOLDINGS PLC

REMUNERATION REPORT

At 31 December 2015 the following awards were held by the Directors under LTIP:

	At beginning of the year	Cancelled	Granted	Exercised	At end of the year
J Gibson	35,000,000	-	-	-	35,000,000
J Mellon	1,000,000	-	-	-	1,000,000
G Bailey	1,000,000	-	-	-	1,000,000
M Collis	1,000,000	-	-	-	1,000,000
M G Wyllie	16,000,000	-	-	-	16,000,000

During the prior year, the Company announced that it had approved amendments to the Company's Long Term Incentive Scheme (LTIP) to ensure key personnel are appropriately remunerated and incentivised to enable the Company to achieve its strategic objectives. These arrangements replaced any previous entitlements in place in relation to the LTIP Scheme as they applied to these individuals. The terms of the original LTIP grant provided for a waiver of the performance criteria on a change in control event. As a result of this and an acceleration of the vesting period due to the acquisition by Regent Pacific, the charge for these share options is significantly higher than prior year.

During 2015, no new options (2014: 35,000,000) were granted to J Gibson. The existing options are subject to the attainment of performance criteria linked to the Group's performance.

During 2015, no new options (2014: 1,000,000) options were granted to Mike Collis. The options are subject to the attainment of performance criteria linked to the Group's performance.

During 2015, no new options (2014: 1,000,000) options were granted to G Bailey for his services as a non-executive director. The options are subject to the attainment of performance criteria linked to the Group's performance.

During 2015, no new options (2014: 1,000,000) were granted to J Mellon for his services as a Chairman of the Board. The options are subject to the attainment of performance criteria linked to the Group's performance.

PLETHORA SOLUTIONS HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLETHORA SOLUTIONS HOLDINGS PLC

Report on the financial statements

Our opinion

In our opinion:

- Plethora Solutions Holdings plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2015 and of the group's loss and the group's and the company's cash flows for the year then ended;
 - the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
 - the 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company balance sheets as at 31 December 2015;
- the Consolidated statement of comprehensive income for the year then ended;
- the Group and company cash flow statements for the year then ended;
- the Consolidated and Company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PLETHORA SOLUTIONS HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLETHORA SOLUTIONS HOLDINGS PLC

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

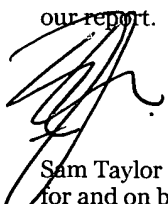
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

30 March 2016

PLETHORA SOLUTIONS HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	Group 2015 £'000	2014 £'000 Pre- exceptional costs (restated)	2014 £'000 Exceptional costs (note 5)	2014 £'000 TOTAL (restated)
Revenue	3	-	3,862	-	3,862
Operating Costs:					
- research and development expenses		(2,944)	(2,727)	-	(2,727)
- general and administrative expenses		(4,957)	(1,951)	(15,390)	(17,341)
Total Net Operating Costs		(7,901)	(4,678)	(15,390)	(20,068)
Operating loss	6	(7,901)	(816)	(15,390)	(16,206)
Finance costs	9	(232)	(933)	-	(933)
Finance income	9	2,293	936	-	936
Loss from continuing operations for the year before taxation		(5,840)	(813)	(15,390)	(16,203)
Income tax credit	10	195	-	-	-
Loss from continuing operations for the year after taxation		(5,645)	(813)	(15,390)	(16,203)
Result/Profit for the year from discontinued operations	18	-	43	-	43
Loss for the year and total comprehensive expense attributable to the owners of the parent		(5,645)	(770)	(15,390)	(16,160)
(Loss)/result per ordinary share					
Basic and diluted loss per share from continuing operations	11	(0.7)p			(3.3)p
Basic and diluted profit per share from discontinued operations	11	0.0p			0.0p
Basic and diluted loss per share from total operations	11	(0.7)p			(3.3)p

The accompanying accounting policies and notes on pages 24 to 49 form an integral part of these financial statements.

PLETHORA SOLUTIONS HOLDINGS PLC

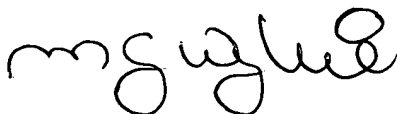
CONSOLIDATED BALANCE SHEET

As at 31 December 2015

	Note	31 December 2015 £'000	31 December 2014 £'000 Restated	1 January 2014 £'000 Restated
ASSETS				
Non-current				
Property, plant and equipment	12	<u>60</u>	<u>76</u>	-
Current				
Trade and other receivables	14	822	541	496
Cash and cash equivalents	15	<u>93</u>	<u>5,066</u>	<u>3,117</u>
		915	5,607	3,613
Total assets		<u>975</u>	<u>5,683</u>	<u>3,613</u>
LIABILITIES				
Current				
Trade and other payables	17	(1,139)	(1,115)	(1,158)
Borrowings	19	(3,260)	(8,185)	(6,985)
Non Current				
Borrowings	19	-	-	(2,573)
Total liabilities		<u>(4,399)</u>	<u>(9,300)</u>	<u>(10,716)</u>
Net liabilities		<u>(3,424)</u>	<u>(3,617)</u>	<u>(7,103)</u>
EQUITY				
Share capital	22	8,233	6,810	4,153
Share premium		48,091	46,543	30,256
Other reserves		4,908	4,908	4,908
Convertible loan note reserve		16	143	216
Share based payment reserve		4,858	1,893	1,233
Accumulated losses		<u>(69,530)</u>	<u>(63,914)</u>	<u>(47,869)</u>
Total equity		<u>(3,424)</u>	<u>(3,617)</u>	<u>(7,103)</u>

The accompanying accounting policies and notes on pages 21 to 49 form an integral part of these financial statements.

The financial statements on pages 21 to 49 were approved by the Board of Directors on 30 March 2016 and are signed on its behalf by:



Mike Wyllie
Director

Registered number: 05341336

PLETHORA SOLUTIONS HOLDINGS PLC

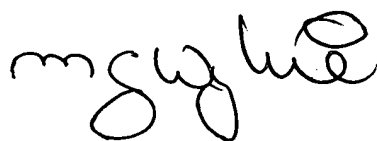
COMPANY BALANCE SHEET

As at 31 December 2015

	Note	31 December 2015 £'000	31 December 2014 £'000 Restated	1 January 2014 £'000 Restated
ASSETS				
Non-current				
Investments	13	-	-	79,000
Current				
Trade and other receivables	14	77	224	462
Cash and cash equivalents	15	2	1,574	2,509
		<u>79</u>	<u>1,798</u>	<u>2,971</u>
Total assets		<u>79</u>	<u>1,798</u>	<u>81,971</u>
LIABILITIES				
Current				
Trade and other payables	17	(480)	(510)	(84,075)
Borrowings	19	(3,260)	(8,185)	(6,985)
Non Current				
Borrowings	19	-	-	(2,573)
Total liabilities		<u>(3,740)</u>	<u>(8,695)</u>	<u>(93,633)</u>
Net liabilities		<u>(3,661)</u>	<u>(6,897)</u>	<u>(11,662)</u>
EQUITY				
Share capital	22	8,233	6,810	4,153
Share premium		48,091	46,543	30,256
Convertible loan note reserve		16	143	216
Share based payment reserve		4,056	1,091	316
Accumulated losses		(64,057)	(61,484)	(46,603)
Total equity		<u>(3,661)</u>	<u>(6,897)</u>	<u>(11,662)</u>

The accompanying accounting policies and notes on pages 21 to 49 form an integral part of these financial statements.

The financial statements on pages 21 to 49 were approved by the Board of Directors on 30 March 2016 and are signed on its behalf by:



Mike Wyllie
Director

Registered number: 05341336

PLETHORA SOLUTIONS HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital	Share premium	Other reserves	Convertible loan note reserve	Share based payment reserve	Accumulated Losses (restated)	Total equity (restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2014	4,153	30,256	4,908	216	1,233	(47,869)	(7,103)
Loss and total comprehensive expense for the year	-	-	-	-	-	(16,160)	(16,160)
Transactions with owners:							
Release of equity reserve of Convertible Loans notes	-	73	-	(73)	-	-	-
Issue of new shares	2,657	16,818	-	-	-	-	19,475
Cost of issue of new shares	-	(604)	-	-	-	-	(604)
Employee share based compensation	-	-	-	-	775	-	775
Transfer for exercised/lapsed share options	-	-	-	-	(115)	115	-
Balance at 31 December 2014 (restated)	6,810	46,543	4,908	143	1,893	(63,914)	(3,617)
Loss and total comprehensive expense for the year	-	-	-	-	-	(5,645)	(5,645)
Transactions with owners:							
Issue of new shares	1,423	1,423	-	-	-	-	2,846
Cost of issue of new shares	-	-	-	-	-	-	-
Employee share based compensation	-	-	-	-	2,992	-	2,992
Transfer for lapsed share options	-	-	-	-	(27)	27	-
Release of equity reserve of Convertible Loans notes	-	125	-	(127)	-	2	-
Balance at 31 December 2015	8,233	48,091	4,908	16	4,858	(69,530)	(3,424)

PLETHORA SOLUTIONS HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital	Share premium	Convertible loan note reserve	Share based payment reserve	Accumulated Losses (restated)	Total equity (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2014	4,153	30,256	216	316	(46,603)	(11,662)
Loss and total comprehensive expense for the year	-	-	-	-	(14,881)	(14,881)
Transactions with owners:						
Release of equity reserve of Convertible Loans notes	-	73	(73)	-	-	-
Issue of new shares	2,657	16,818	-	-	-	19,475
Cost of issue of new shares	-	(604)	-	-	-	(604)
Employee share based compensation	-	-	-	775	-	775
Balance at 31 December 2014	6,810	46,543	143	1,091	(61,484)	(6,897)
Loss and total comprehensive expense for the year	-	-	-	-	(2,602)	(2,602)
Transactions with owners:						
Issue of new shares	1,423	1,423	-	-	-	2,846
Cost of issue of new shares	-	-	-	-	-	-
Employee share based compensation	-	-	-	2,992	-	2,992
Transfer for lapsed share options	-	-	-	(27)	27	-
Release of equity reserve of Convertible Loans notes	-	125	(127)	-	2	-
Balance at 31 December 2015	8,233	48,091	16	4,056	(64,057)	(3,661)

PLETHORA SOLUTIONS HOLDINGS PLC

GROUP AND COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
			Restated		
Cash flows from operating activities					
Loss before taxation		(5,840)	(16,203)	(2,603)	(14,927)
Finance income	9	(2,293)	(936)	(2,293)	(936)
Gain on extinguishment of debt instruments		(13)	-	(13)	-
Finance costs	9	232	933	226	928
Share-based payment charge	8	2,992	775	1,845	115
Impairment of investment in subsidiary	13	-	-	1,146	660
Depreciation of property, plant and equipment	12	16	6	-	-
Change in trade and other receivables		(94)	(45)	147	237
Change in trade and other payables		24	(43)	(30)	(4,565)
Cash utilised from continuing operations		(4,968)	(15,513)	(1,574)	(18,484)
Cash generated discontinued operations	18	-	43	-	43
Total cash utilised by operations		(4,968)	(15,470)	(1,574)	(18,441)
Interest paid		(7)	(5)	-	-
Net cash outflow from operating activities		(4,975)	(15,475)	(1,574)	(18,441)
Cash flows from investing activities					
Interest received		2	3	2	3
Purchase of property, plant and equipment		-	(82)	-	-
Net cash generated from/(utilised) by investing activities		2	(79)	2	3
Cash flows from financing activities					
Proceeds from issue of shares	22	-	18,138	-	18,138
Share issue costs		-	(604)	-	(604)
Partial repayment of CfE loan		-	(31)	-	(31)
Net cash generated from financing activities		-	17,503	-	17,503
(Decrease)/increase in cash and cash equivalents		(4,973)	1,949	(1,572)	(935)
Cash and cash equivalents at the beginning of year		5,066	3,117	1,574	2,509
Cash and cash equivalents at end of year	15	93	5,066	2	1,574

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

1 GENERAL INFORMATION

Plethora Solutions Holdings plc (the "Company") and its subsidiaries' ("Plethora" or the "Group") principal activities are the development and commercialisation of a pharmaceutical treatment of premature ejaculation in the area of men's sexual health.

Plethora Solutions Holdings plc, a wholly owned subsidiary of Regent Pacific Group Limited, is incorporated and domiciled in the United Kingdom.

The financial statements for the year ended 31 December 2015 (including the comparative information for the year ended 31 December 2014) were approved by the board of directors on 30 March 2016.

2 ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by financial liabilities at fair value through profit or loss using the required measurement bases specified under International Financial Reporting Standards (IFRS) and in accordance with applicable IFRS as adopted by the European Union, IFRS Interpretations Committee interpretations and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS. Accounting policies have been applied consistently other than where new policies have been adopted.

As a result of the retirement of the previous UK accounting standards for accounting periods commencing on or after 1 January 2015, the Directors decided to adopt IFRS as adopted by the European Union for the preparation of the Company's solus financial results and have incorporated them within this report. The impact of this transition on the 2015 results and on previously reported results was not material.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss for the year was £2,602,000 (2014 restated: £14,881,000).

Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liabilities, income and expense. The measurement bases are more fully described in the accounting policies below.

The accounting estimates and assumptions are consistent with the Group's latest approved budget forecast where applicable. Judgements are based on the information available at each balance sheet date. All estimates are based on the best information available to management.

Exceptional items, namely items that are material either because of their size or their nature, and which are non-recurring, are presented within their relevant Statement of Comprehensive Income category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a full understanding of the Group's underlying performance.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

Overall considerations (continued)

The consolidated financial statements provide comparative information in respect of previous periods. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement or a reclassification of items in the financial statements. The comparative figures in the financial statements have been restated to correct significant accounting estimates in respect of the revaluation of warrant instruments which was misstated following the revision of the terms of various loan agreements in March 2013. An additional statement of financial position as at 1 January 2014 has therefore been presented in these financial statements due to the retrospective correction of an error. See the business review on page 9 for more details on the impact of these restatements.

Going concern

In considering the appropriate basis on which to prepare the financial statements, the Directors are required to consider whether the Group and Company can continue in operational existence for the foreseeable future.

Given the current stage in the development of PSD502®, the Group did not generate any revenues during the period and had a cash balance of £93,000 as at 31 December 2015 and net liabilities of £3,661,000.

The Directors of Plethora have prepared detailed cash flow forecasts through to the end of 2017 that show that the Group has adequate working capital to meet its immediate needs. In addition, the directors of Regent Pacific have provided a letter of support to the Group for the next 18 months so that the Group is able to meet its liabilities as and when they fall due.

Consequently, the Directors have concluded that it is appropriate to prepare the Group's financial statements on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. Nevertheless, there are uncertainties in relation to the timing of the approval of the new Reduced Fill Product, the timing and extent of upfront milestone receipts relating to other territories, the costs associated in setting up GMP production lines in the EU and USA and the costs associated with the NDA application with the FDA.

Consolidation and investments in subsidiaries

Consistent accounting policies have been adopted across the Group and where necessary the accounting policy for the subsidiaries has been changed to ensure consistency within the Group.

Subsidiaries are entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent company as well as those entities controlled by the Group by full consolidation.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Adoption of new or amended standards and interpretations in the current year

There have been no new standards adopted in the year that have had a material impact on the Group.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

New or amended standards and interpretations in issue but not yet effective

The following new standards, amendments to standards and interpretations that are expected to impact the Group, which have not been applied in these financial statements, were in issue, but are not yet effective:

IFRS 9 "Financial instruments" addresses the classification and measurement of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit and loss with the irrevocable option at inception to present changes in fair value in OCI but not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit and loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and the hedging instrument and for the "hedged ratio" to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement. The Group is currently assessing IFRS 9's full impact.

IFRS 15 "Revenue recognition" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard has been deferred pending further discussion regarding its implementation and is now effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted, subject to EU adoption. The Group continues to assess the impact of IFRS 15 and is developing processes and systems to enable the transition to the new standard.

IFRS 16 "Leases" replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The standard applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied. The Group is currently assessing IFRS 16's full impact.

Property, plant and equipment

Property, plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets on a straight line basis over the estimated useful economic life of each asset. Gains/losses on disposal are determined by comparing proceeds with carrying value and are recognised within other (losses)/gains in the Consolidated Statement of Comprehensive Income.

The useful lives of property, plant and equipment can be summarised as follows:

Fixtures & fittings, computers and equipment	5 years
--	---------

Residual asset values and useful lives are reviewed and adjusted annually where necessary.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

Impairment

The carrying value of non-current assets is reviewed whenever events or changes in circumstances indicate that the carrying value may not be recoverable to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of property, plant and equipment is the greater of their fair value less costs to sell and value in use.

Furthermore, non-financial assets other than goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

The Group's financial assets include cash and cash equivalents and trade and other receivables.

All financial assets are recognised when the entity becomes party to the contractual provisions of an instrument. All financial assets are de-recognised on their settlement date. All financial assets are initially recognised at fair value, plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate.

Interest and other cash flows resulting from holding financial assets are recognised in profit or loss when receivable, regardless of how the related carrying amount of financial assets is measured.

Trade receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows. No general provisions are made against trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and overdrafts as well as short term highly liquid investments such as money market instruments and bank deposits.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

Financial liabilities

The Group's financial liabilities include convertible third party loans, warrants and 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 "finance costs" in the Consolidated Statement of Comprehensive Income. Financial liabilities, excluding warrants, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Warrants are accounted for as an embedded derivative and accounted for in line with the policy disclosed below.

Convertible loan notes are recorded at fair value, fair value being proceeds less transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Consolidated Statement of Comprehensive Income on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. They subsequently follow the accounting policy for Compound financial instruments as disclosed below.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Embedded derivatives

Embedded derivatives identified in host contracts are separated from the host contract when they are not closely linked to the contract and are valued at fair value through the Consolidated Statement of Comprehensive Income where they meet the definition of a financial liability. The embedded derivative is revalued to fair value at each reporting period. Within the Consolidated Statement of Comprehensive Income any charge or credit is disclosed in finance income/costs and the corresponding asset/liability is separately shown in the notes to the balance sheet.

Where the embedded derivative meets the definition of equity, this is recognised initially at its fair value and not subsequently re-measured.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

Equity

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

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The other reserve is a reserve arising on merger accounting.

Share based payments reserve comprises the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.

The convertible loan note equity reserve represents the difference between the proceeds from issuing the convertible loan notes and the fair value assigned to the liability component at the date of issue.

Accumulated losses include all current and prior period results as disclosed in the statement of comprehensive income.

Revenue recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied excluding VAT. Revenue is recognised upon the performance of services or transfer of risk to the customer.

The recognition of income received, such as licence fees, up-front receipts and milestone receipts is dependent on the terms of the related arrangement, having regard to the ongoing risks and rewards of the arrangement, and the existence of any performance or repayment obligations with any third party.

Licence fees are recognised as revenue when all substantial obligations to the licensee have been fulfilled.

Income is only recognised as revenue when the following conditions have been met:

- The stage of completion of the transaction at the end of the reporting period can be measured reliably;
- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Segmental reporting

The chief operating decision-maker has been identified as the board of directors. The board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The board considers the business primarily from an activity perspective, assessing the performance of product development referred to as "Plethora Development" and the sales and marketing of pharmaceutical and healthcare products in the UK and continental Europe referred to as "The Urology Co", which was liquidated in 2013. This has been presented as "Discontinued Operations".

The board assesses the performance of the operating segments based on a measure of income and directly attributable expenses. Finance income is also included in the result for each operating segment that is reviewed by the board. Other information provided to the board is measured in a manner consistent with that in the financial statements.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES

Research and Development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs do not currently meet the criteria for capitalisation in accordance with IFRS and are expensed as incurred.

Employee benefits

(i) Defined contribution pension scheme

Pensions to certain employees are provided through contributions to individual personal pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

(ii) Other employee benefits

Short-term employee benefits, including holiday entitlement, are included in current pension and other employee obligations at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Share based employee remuneration

The Company issues equity-settled, share-based payments to certain employees of subsidiary undertakings, detailed in the Remuneration Report and in note 8 to the financial statements.

Equity-settled, share-based payments are measured at fair value at the date of grant and are recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance condition; (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

Share based employee remuneration (continued)

Where a modification to previously granted equity-settled share-based payments increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is deemed to be the difference between the fair value of the modified equity instrument and that of the original equity instrument; both values are estimated as at the modification date. An expense based on the incremental fair value is recognised in addition to any amount in respect of the original instrument which continues to be recognised over the remainder of the original vesting period.

Where a modification decreases the fair value of the previously granted equity instruments, there is no change to the initial accounting.

Foreign currencies

These financial statements are presented in UK Sterling which is the functional currency of the Company.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the Consolidated Statement of Comprehensive Income.

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with the initial recognition of goodwill on acquisitions. 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.

The Group is entitled to a tax deduction for amounts treated as compensation on exercise of certain employee share options or vest of share awards under UK tax rules. As there is a temporary difference between the accounting and tax bases, a deferred tax asset is created. The deferred tax asset arising is calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on the Company's share price at the balance sheet date) with the cumulative amount of the compensation expense recorded in the income statement. If the amount of estimated future tax deduction exceeds the cumulative amount of the compensation expense at the statutory rate, the excess is recorded directly in equity, against retained earnings, where the deferred tax asset is recognised.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. 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.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

2 ACCOUNTING POLICIES (continued)

Leases

All of the Group's leases have the characteristics of operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis in the Consolidated Statement of Comprehensive Income. Associated costs, such as maintenance and insurance, are expensed as incurred.

Significant accounting estimates and judgements

Certain estimates and judgments need to be made by the Directors of the Group which affect the results and position of the Group as reported in the financial statements. Estimates and judgments are required for example, as at the reporting date, as not all liabilities have been settled and certain assets/ liabilities are recorded at fair value which requires a number of estimates and assumptions to be made.

The major areas for judgments within the financial statements are as follows:

- preparing the financial statements on a going concern basis;
- timing of revenue recognition where deemed transfer of risks and rewards are subject to certain performance criteria;
- probability of certain performance criteria being met in relation to newly issued LTIPs;
- calculation of fair value of restructured debts and extinguishment of loans; and
- fair value revaluation of warrant instruments and other debt instruments.

The reasons that the Directors believe it is appropriate to prepare the financial statements on a going concern basis are detailed on page 22.

In calculating the fair value of the restructured debts in note 19, management used information from analysts' reports on the business to determine the discount rates.

There are no other major areas of estimation.

3 REVENUE

An analysis of the Group's and Company's revenue is as follows:

	Group	
	2015	2014
	£'000	£'000
Milestone income	<u>-</u>	<u>3,862</u>

4 SEGMENTAL REPORTING

The Group was organised into two main business segments: the development of new pharmaceutical products known as "Plethora Development" and Corporate/Unallocated segment which represent shared property costs, in addition to background support services, such as finance, IT and marketing, and corporate expenses which cannot be directly attributed to Plethora Development segment. Unallocated assets and liabilities represent assets and liabilities of the corporate arm of the Group which cannot be directly allocated to the other segment.

The Group operates from a single geographical area, namely the United Kingdom.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

4 SEGMENTAL REPORTING (continued)

Year ended 31 December 2015	Continuing activities			Group £'000
	Plethora Development £'000	Corporate / Unallocated £'000	Discontinued Operations £'000	
Depreciation	(17)	-	-	(16)
Other operating (costs)	(2,928)	(4,957)	-	(7,885)
Finance costs	(6)	(226)	-	(232)
Finance income	-	2,293	-	2,293
Profit from discontinued operations	-	-	-	-
Loss before tax including discontinued operations	(2,950)	(2,890)	-	(5,840)
Tax credit	195	-	-	195
Loss for the year including discontinued operations	(2,755)	(2,890)	-	(5,645)
Other segment assets	60	-	-	60
Unallocated assets				
— Current assets	836	79	-	915
Total assets	896	79	-	975
Other segment liabilities	(659)	(480)	-	(1,139)
Unallocated liabilities				
— Borrowings	-	(3,260)	-	(3,260)
Total liabilities	(659)	(3,740)	-	(4,399)
Net liabilities	237	(3,661)	-	(3,424)

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

4 SEGMENTAL REPORTING (continued)

Year ended 31 December 2014 (restated)	Continuing activities			Group £'000
	Plethora Development £'000	Corporate / Unallocated £'000	Discontinued Operations £'000	
Revenue - external customers	3,862	-	-	3,862
Depreciation	(6)	-	-	(6)
Other operating (costs)/result	(2,727)	(1,945)	-	(4,672)
Finance costs	(5)	(928)	-	(933)
Exceptional item	(15,390)	-	-	(15,390)
Finance income	-	936	-	936
Profit from discontinued operations	-	-	43	43
(Loss)/profit before tax including discontinued operations	(14,266)	(1,937)	43	(16,160)
Taxation	-	-	-	-
(Loss)/profit for the year including discontinued operations	(14,266)	(1,937)	43	(16,160)
Other segment assets	76	-	-	76
Unallocated assets				
— Current assets	3,809	1,798	-	5,607
Total assets	3,885	1,798	-	5,683
Other segment liabilities				
Unallocated liabilities	(605)	(510)	-	(1,115)
— Borrowings	-	(8,185)	-	(8,185)
Total liabilities	(605)	(8,695)	-	(9,300)
Net liabilities	3,280	(6,897)	-	(3,617)

During 2014, the turnover for the year of £3,862,000 was derived from a single external customer. There was no revenue in 2015.

5 EXCEPTIONAL ITEMS

In September 2014, the Company entered into termination and release agreements with each of Shionogi and Paul Capital and a patent assignment agreement with the original patent holder in relation to residual royalty interests in PSD502®, such that Plethora owns the entire economic benefit of all future revenue streams generated from the 'out.licensing' of PSD502® in the future on a global basis (the "Agreements").

As an extension to these Agreements, it was also agreed that all of the intellectual property rights of PSD502® including the patent rights would be transferred to the Group. The total consideration of the Agreements was \$25 million, of which payment of US\$250,000 to the original patent holder has been deferred pending the formal completion of the transfer of the patents and SPC's in the name of the Group. The cost of securing these rights has been expensed in the financial statements and has been classified as an exceptional item.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

6 OPERATING LOSS

The operating loss is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration:		
- Company	35	32
Other services:		
- audit of subsidiary undertakings	10	10
- other assurance-related services	-	8
- corporate taxation compliance	12	15
- tax advisory services	5	52
- other non-audit services	67	32
Foreign Exchange loss/(gain)	113	(81)
Operating lease charges:		
Land and buildings	8	8
Depreciation:		
Property, plant and equipment – owned	17	6

7 DIRECTORS AND EMPLOYEES

	2015 Number	2014 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Administration and management staff	4	4
Other employees	-	1
	<u>4</u>	<u>5</u>
	2015 £'000	2014 £'000

Staff costs during the year were as follows:

Wages and salaries including termination benefits	669	273
Social security costs	251	172
Share based compensation	2,992	775
	<u>3,912</u>	<u>1,220</u>

Remuneration in respect of directors, including the highest paid director, is disclosed in the Remuneration Report on pages 12 to 14. No other employees were considered to be key management personnel.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

8 SHARE BASED EMPLOYEE REMUNERATION

Share options have been granted to directors and employees under the ESOP and The LTIP:

i. Executive Share Option Scheme (ESOP)

The Executive Share Option scheme (ESOP) is available to all employees and directors of the Group subject to the discretion of the Remuneration Committee of Plethora Solutions Holdings plc and subject to the rules of the scheme, the key points of which are as follows:

- options are granted for the shares of Plethora Solutions Holdings plc to employees of subsidiary companies;
- options are exercisable between three and ten years of being granted;
- options vest on the third anniversary of the date of grant;
- except in certain limited circumstances, all options lapse if an employee leaves the Group; and
- exercise of options is not subject to any specific performance criteria.

All share based employee remuneration will be settled in equity. The Group has no other legal or constructive obligation to repurchase or settle the options in cash.

	31 December 2015		31 December 2014	
	Number of options	Weighted average exercise price (pence)	Number of options	Weighted average exercise price (pence)
At 1 January	201,031	99	563,103	124
Lapsed	(68,571)	175	(362,072)	138
At 31 December	132,460	59	201,031	99

The outstanding options may be analysed as follows:

	31 December 2015		31 December 2014	
	Number of options	Weighted average exercise price (pence)	Number of options	Weighted average exercise price (pence)
Vested and exercisable	132,460	59	201,031	99

Share options outstanding at each reporting date have the following expiry date and exercise prices.

	Exercise price in Pence per share	2015 Number	2014 Number
Vesting/(Expiry) date			
2010 (up to 2015)	175	-	68,571
2011 (up to 2016)	59	132,460	132,460
		<u>132,460</u>	<u>201,031</u>

The weighted average remaining contractual life of the outstanding options was 4 months (2014: 1 years and 4 months).

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

8 SHARE BASED EMPLOYEE REMUNERATION (continued)

ii. Long Term Incentive Plan (LTIP)

The Long Term Incentive Plan (LTIP) is available to all employees and directors of the Group subject to the discretion of the Remuneration Committee of Plethora Solutions Holdings plc, with awards recommended by the board of directors for key employees. Related options will vest in the event that certain performance targets are met.

Awards are made subject to the following rules:

- awards are granted for the shares of Plethora Solutions Holdings plc to employees of subsidiary companies;
- awards may only be granted within the period of six weeks beginning with the date on which the Plan is approved by shareholders in general meeting and after that within the period of six weeks beginning with the Dealing Day next following the date on which the Company announces its annual or half-yearly results, or at any other time that the Remuneration Committee may in exceptional circumstances determine; and within the period of 10 years beginning with the date on which the Plan is approved by the shareholders in general meeting;
- the price per share at which a Participant acquires shares subject to an award is nil and no consideration shall be payable at any time in respect of Allocated Shares;
- awards granted to Senior Employees shall be subject to performance conditions specified by the Remuneration Committee in the Award certificate; and
- Awards vest on the earlier of an exit or leaving event subject to "good leaver/bad leaver" provisions.

New awards under the LTIP were made on 19 December 2014 which replaces previous awards made on 17 November and 10 December 2013. This has been accounted for as a modification of original awards in accordance with IFRS2 "Share-based payments". Following the acquisition of the Company by Regent Pacific, all LTIPs fully vested on March 2016 and all performance criteria were waived as a result of the change in control.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of services received is measured based on the Black-Scholes valuation model. The significant inputs into the model for each grant during the year and the prior year were:

	2013 LTIP 19 December 2014
Date of grant	
Share price at grant date	6.25
Exercise price	-
Number of employees	5
Shares under option	38,200,000
Vesting period (months)	36
Expected volatility (expressed as standard deviation of expected share price returns)	80%
Expected option life (months)	36
Risk free interest rate (based on national Government bonds)	0.5%
Dividend yield	0%
Fair value per option	6p

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

8 SHARE BASED EMPLOYEE REMUNERATION (continued)

Movements in the total number of share options outstanding under the LTIP scheme at the year end were as follows:

	31 December 2015 Number of options	31 December 2014 Number of options
At 1 January	54,200,000	17,100,000
Granted	-	38,200,000
Lapsed	-	(1,100,000)
At 31 December	54,200,000	54,200,000

The outstanding awards may be analysed as follows:

Date of Award	At 1 January 2015	Cancelled	Grant	Exercised	At 31 December 2015	Market Price at date of award (pence)	Market price on vesting (pence)
27 November 2013	16,000,000	-	-	-	16,000,000	13.75	-
19 December 2014	38,200,000	-	-	-	38,200,000	6.25	-
	<u>54,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,200,000</u>		

There were no other share option grants during 2015.

Volatility is estimated based on the historical volatility of the Company's share price at the grant date. Share options are granted under a service condition. Such conditions are not taken into account in the fair value measurement of the services received. There are no market conditions associated with the share option grants.

In total, £2,992,000 of employee remuneration expense has been included in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2015 (2014: £775,000). No liabilities were recognised due to share based payment transactions (2014: £nil). The terms of the original LTIP grant provided for a waiver of the performance criteria on a change in control event. As a consequence of this and an acceleration of the vesting period due to the acquisition by Regent Pacific, the share based charge is significantly higher than prior year.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

9 FINANCE COSTS AND INCOME

	2015 £'000	2014 £'000 <i>restated</i>
Effective interest charge on borrowings	(232)	(933)
Fair value loss on revaluation of loan warrants	-	-
Finance costs from continuing activities	(232)	(933)
Bank interest receivable	2	3
Fair value gain on revaluation of loan warrants	2,291	933
Finance income from continuing activities	2,293	936

10 INCOME TAX

The tax is based on the loss for the year and represents:

	2015 £'000	2014 £'000
UK corporation tax:		
Adjustments in respect of prior years	195	-
Current tax credit	195	-
Current tax credit for the year	-	-
Deferred taxation (note 16)	-	-
Tax on loss on continuing operations	195	-

The tax assessed differs from the effective rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained as follows:

	2015 £'000	2014 £'000 <i>Restated</i>
Loss for the year from continuing operations before taxation	(5,840)	(16,203)
Loss for the year from continuing operations multiplied by the effective rate of corporation tax during the year in the UK of 20.25% (2014: 21.50%)	(1,182)	(3,484)
Effect of:		
Expenses not deductible for tax purposes	612	167
Depreciation in excess of capital allowances	3	-
Utilisation of tax losses	(50)	-
Carry forward of unutilised tax losses	617	3,317
Adjustments in respect of prior year	195	-
	195	-

At 31 December 2015 the Group and Company had tax losses of £52,119,000 (2014: £50,173,000) and £14,602,000 (2014: £14,850,000) respectively to offset against future profits within the United Kingdom.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

10 INCOME TAX (continued)

The standard rate of Corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Group's losses for this accounting year are taxed at an effective rate of 20.25%.

Finance Act 2013 included legislation to reduce the main rate of Corporation Tax to 21% with effect from 1st April 2014 and 20% with effect from 1st April 2015. Further reductions in the main rate of Corporation Tax in the UK to 19% from 1st April 2017 and 18% from 1st April 2020 were substantively enacted on 26 October 2015. The calculation of the unrecognised deferred tax asset has taken into consideration these rates. See note 16 for further details.

11 (LOSS)/PROFIT PER ORDINARY SHARE - GROUP

The calculation of the basic and diluted loss per share is based on the loss for the year and on the weighted average number of ordinary shares in issue during the year. The losses and weighted average number of shares used in the calculations are set out below:

	2015 Loss £'000	2015 Loss per share pence	2014 Loss £'000 <i>Restated</i>	2014 Loss per share pence <i>Restated</i>
Loss from continuing operations	(5,645)	(0.7)p	(16,203)	(3.3)p
Profit from Discontinued operations	-	0.0 p	43	0.0p
Basic and total loss per share	<u>(5,645)</u>	<u>(0.7)p</u>	<u>(16,160)</u>	<u>(3.3)p</u>
Diluted and total loss per share	<u>(5,645)</u>	<u>(0.7)p</u>	<u>(16,160)</u>	<u>(3.3)p</u>

Basic loss per share is calculated based on a weighted average number of shares in issue of 785,094,881 (2014: 489,279,789). Diluted loss per share takes into account the dilutive effect of share options to the extent they are in the money and convertible loan notes. The dilutive effect on the loss per share in 2015 and 2014 is not shown as the effect on the loss per share of share options and convertible loans is anti-dilutive on the loss.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

12 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Fixtures, fittings, computers and equipment £'000
Cost	
At 1 January 2014	48
Additions	82
Disposals	(48)
At 31 December 2014	82
Additions	1
At 31 December 2015	83
Accumulated depreciation	
At 1 January 2014	48
Charge for the year	6
Disposals	(48)
At 31 December 2014	6
Charge for the year	17
At 31 December 2015	23
Net book value	
At 1 January 2014	-
At 31 December 2014	76
At 31 December 2015	60

The assets of the Group are held in Plethora Solutions Limited, 100% subsidiary of the Group.

13 INVESTMENTS

Company

	Subsidiary undertakings £'000
Cost	
At 1 January 2014	79,350
Additions	660
At 31 December 2014	80,010
Additions	1,146
At 31 December 2015	81,156
Accumulated Impairment	
At 1 January 2014	(350)
Impairment charge	(79,660)
At 31 December 2014	(80,010)
Impairment charge	(1,146)
At 31 December 2015	81,156
Net book value	
At 31 December 2015	-
At 31 December 2014	-

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

13 INVESTMENTS (continued)

At 31 December 2015 the subsidiaries of the Group were as follows:

Name of subsidiary undertaking	Country of incorporation	Description of shares held	% of nominal value of shares held	Principal business activity
Plethora Solutions Limited	United Kingdom	1p Ordinary	100	Development of pharmaceutical drugs

The Company has taken action to simplify the legal structure of the Group. On 10 June 2014 the Company's wholly-owned dormant subsidiary, The Urology Company Holdings Limited, was formally dissolved.

On 2 February 2016, Plethora Therapeutics Limited (PTL) a dormant subsidiary of the Group was formally dissolved.

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Other receivables	341	453	46	156
Prepayments and accrued income	481	88	31	68
Total	<u>822</u>	<u>541</u>	<u>77</u>	<u>224</u>

There were no trade receivables at the year end (2014: £nil). Other receivables relate to contractual amounts receivable by the Group and are considered by the directors to be fully recoverable.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Cash and cash equivalents	<u>93</u>	<u>5,066</u>	<u>2</u>	<u>1,574</u>

Cash and cash equivalents consist of cash on hand and balances with banks only.

As at 31 December 2015, the Group had a loan agreement in place with Regent Pacific Group Limited with £1m credit facility which was unused at year end.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

PLETHORA SOLUTIONS HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2015

16 DEFERRED TAXATION

At 31 December 2015, the Group and Company had an unrecognised deferred tax asset relating to losses carried forward of £9,919,000 (2014: £10,035,000) and £2,774,000 (2014: £2,965,000) respectively and an unrecognised deferred tax asset of £418,000 (2014: £149,000) and £287,000 (2014: £132,000) respectively relating to share-based payments. The assets have not been recognised as the Directors have insufficient certainty over the utilisation of these losses and associated tax benefits in the foreseeable future because it is not considered probable that future taxable profit will be available against which they can be realised.

Other deferred tax assets and liabilities arising from other temporary differences are considered to be insignificant.

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Less than 3 months				
Trade and other payables	604	252	119	48
Social security and other taxes	264	129	157	90
Accrued expenses	221	684	187	354
Between 3 and 12 months				
Accrued expenses	50	50	17	18
	<u>1,139</u>	<u>1,115</u>	<u>480</u>	<u>510</u>

Due to the short term duration of trade and other payables the carrying value in the balance sheet represents the fair value of the liabilities.

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DISCONTINUED OPERATIONS

Following the closure of The Urology Company Limited (the "Urology Co"), the liquidator of the Urology Co advised Capital for Enterprise Fund ("CFE") that it intended to make a full and final distribution from the net proceeds of the liquidation to CFE of £43,068 in its capacity as secured lender. This sum has been accounted for as a partial repayment of the outstanding CFE loan after taking into account a contractual 25% redemption premium and accrued yield that applies to this repayment. The assets and liabilities of The Urology Company Limited were presented as discontinued operations following the Group's decision to put the company into administration on 25 February 2013. An analysis of its results are shown overleaf:

Profit and loss of the discontinued operations.

	31 December 2014
	£'000
Revenue	-
Cost of Sales	-
Gross result	-
Operating Cost	-
- selling and distributions expenses	-
- general and administrative expenses	-
Total operating costs	-
Result before tax of discontinued operations	-
Tax	-
Result for the year from discontinued operations	-
Pre-tax result/gain arising from the re-measurement of the net liabilities of the discontinued operation	43
Tax	-
Result/Profit before tax of discontinued operations	43

Cash flows from the discontinued operations

	31 December 2014
	£'000
Cash flows from operating activities	
Result/profit before tax discontinued operations	43
Change in inventories	-
Change in trade and other receivables	-
Change in trade and other payables	-
Cash generated from operations	43
Cash flows from investing activities	-
Cash flows from financing activities	-
Net Increase in cash and cash equivalents	43

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BORROWINGS - GROUP AND COMPANY

	2015 £'000	2014 £'000 <i>Restated</i>
Current borrowings		
CfE Loan Due 2015	-	685
CfE loan warrant instrument	1,173	2,058
Interest on CfE Loan Due 2015	-	146
Galloway Loan Due 2015	-	1,023
Galloway Loan warrant instrument	1,734	3,140
Interest on Galloway Loan Due 2015	-	219
Mellon Bridge Loans	340	809
Interest accrued on Mellon Bridge Loans	13	105
	3,260	8,185
Total Borrowings	3,260	8,185

The future contractual payments of principal for convertible loan notes and third party borrowings are as follows:

	2015 £'000	2014 £'000
Within one year:		
CfE Loan Due 2015	-	569
Galloway Loan Due 2015	-	850
Mellon Bridge Loans	340	550
	340	1,969

During 2015, the Company received notice from its debt holders to convert £1,629,595 of £1,969,595 debt in issue. Interest on the loan notes was accrued in accordance with the restructuring agreement of 18 March 2013 and an amount of £1,216,124 had accrued and was converted to new Ordinary Shares. Following this notice, 142,285,957 new Ordinary Shares were issued as payment for interest accrued totalling £1,216,124 and £1,629,595 nominal value of the convertible debt taking the total enlarged capital to 823,297,686 Ordinary Shares.

Jim Mellon agreed with the Company to defer £340,000 of his entitlement under the Loan Notes into a new convertible loan note that will accrue a yield of 5% per annum payable quarterly in arrears in cash and to be repaid on 31 March 2020. Upon redemption the loan may, at the option of the bearer, be converted into new Ordinary Shares at a price of 2p per share. Under IAS32 Financial Instruments, the Company recognised a gain of £13,000 being the gain on extinguishment of the existing Mellon bridge loans in exchange for the new loan in a revised loan agreement. This charge has no impact on cash flow, or, after the gain in reserves, on shareholders' funds.

All security granted under the Loan Notes have been released by Maven, Jim Mellon and Galloway.

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NOTES TO THE FINANCIAL STATEMENTS

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FINANCIAL INSTRUMENTS

During the financial year, the Group and company used financial instruments comprising cash and short-term deposits, related party loans and convertible debt instruments. It has issued warrant instruments in relation to loan and convertible debt arrangements. It does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. The Group and Company have items such as trade payables that arise directly from its operations.

Liquidity risk

The Group seeks to manage financial risk by ensuring it has adequate liquid resource to meet its obligations as they fall due. During the year the Group used share issues and loans to raise finance for the Group's activities. The Directors prepare detailed cash flow forecasts which are monitored frequently to ensure that all obligations can be settled as they fall due.

Interest rate risk

All interest rates on the Group's borrowings are fixed. Interest is paid at 14% on the Convertible Loan Notes Due 2014, the CfE Loan and the Galloway Loan and at 5% (2014:10%) on the Mellon Bridge Loans (see Note 19). A sensitivity analysis of interest has not been performed as all rates are fixed, therefore there is no interest rate sensitivity.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group holds financial instruments in form of warrant instruments which are affected by fluctuation in market prices. These instruments are revalued each year end and movements recognized in the profit and loss statement. No sensitivity analysis of market risk caused by share price movement has been done since the effect of the movement are recognised through the profit and Loss statement.

Financial assets and liabilities

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Loans and other receivables	<u>915</u>	<u>5,519</u>	<u>79</u>	<u>1,798</u>
The financial assets are included in the balance sheet in the following headings:				
Current assets				
Trade and other receivables	822	453	77	224
Cash and cash equivalents	<u>93</u>	<u>5,066</u>	<u>2</u>	<u>1,574</u>
	<u>915</u>	<u>5,519</u>	<u>79</u>	<u>1,798</u>

The IAS 39 categories of financial liabilities included in the balance sheet and the headings in which they are included are as follows:

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For year ended 31 December 2015

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
		<i>Restated</i>		<i>Restated</i>
Financial liabilities at amortised cost	1,492	4,102	833	3,497
Financial liabilities at fair value through profit and loss	2,907	5,198	2,907	5,198
	<u>4,399</u>	<u>9,300</u>	<u>3,740</u>	<u>8,695</u>

The financial liabilities are included in the balance sheet in the following headings:

	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
		<i>Restated</i>		<i>Restated</i>
Current liabilities				
Trade and other payables	1,139	1,115	480	510
Borrowings	3,260	8,185	3,260	8,185
	<u>4,399</u>	<u>9,300</u>	<u>3,740</u>	<u>8,695</u>

Trade and other payables are measured at amortised cost and borrowings are initially measured at their fair values and subsequently at amortised cost. Loan warrants are fair valued at each year end with the gain/loss posted through profit or loss.

Fair value hierarchy

The fair value of the Group's financial instruments is disclosed in hierarchy levels depending on the valuation method applied. The different methods are defined as follows:

Level 1: valued using unadjusted quoted prices in active markets for identical financial instruments;

Level 2: valued using techniques based on information that can be obtained from observable market data; and

Level 3: valued using techniques incorporating information other than observable market data as at least one input to the valuation cannot be based on observable market data.

The fair value of the Group's financial assets and liabilities at 31 December 2015 are set out below:

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial liabilities				
Warrant instruments	2,907	-	-	2,907
At 31 December 2015	2,907	-	-	2,907

The fair value of the Group's financial assets and liabilities at 31 December 2014 are set out below:

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial liabilities				
Warrant instruments (restated)	5,198	-	-	5,198
At 31 December 2014	5,198	-	-	5,198

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For year ended 31 December 2015

21 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure that it can continue as a going concern and has adequate capital to fund marketing and development activities. The Group regularly reviews its capital requirements to ensure it is a going concern and is in compliance with all by-laws and restrictions imposed by its lenders.

In order to maintain or adjust the capital structure, during the financial year the Group would issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of net assets and the Group's strategy is to improve its balance sheet position in order to be able to provide a return to shareholders. No dividend was paid during the years ended 31 December 2015 and 2014.

	2015	2014
	£000	£000
		Restated
Borrowings	3,260	8,185
Trade and other payables	480	510
Less: Cash and cash equivalents	(93)	(5,066)
Net debt	3,647	3,629
Total equity	8,233	6,810
Net debt to equity ratio	44%	53%

No change were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 2014

Following the Balance sheet date 100% of the issued share capital of the Group was acquired by Regent Pacific Group Limited and the outstanding borrowings were settled. Following the acquisition, Regent Pacific Group Limited have confirmed they will support the Group with all financial support as needed.

22 SHARE CAPITAL - GROUP AND COMPANY

	2015	2014
	£000	£000
Allotted, issued and fully paid		
823,297,686 (2014: 681,011,729) ordinary shares of 1 penny each	8,233	6,810

All ordinary shares carry the same voting rights and rights to discretionary dividends.

During the year, the Company issued 142,285,957 (2014: 265,737,151 to raise £18.2 million) new Ordinary Shares to settle its existing debt instruments

Issues in 2015

During 2015, the Company announced that under Debt Restructuring Agreement entered into on 18 March 2013, it had received notice from Maven Capital Partners (UK) LLP as a manager of the Capital for Enterprise Fund A LP, Jim Mellon and Galloway Limited to convert their convertible loan notes of £569,595, £210,000 and £850,000 respectively into ordinary shares of 1p each at a price of 2p per share.

Following this notice, 142,285,957 new Ordinary Shares were issued as payment for accrued interest of £1,216,124 and convertible loan notes of £1,629,595 taking the total enlarged capital to 823,297,686 Ordinary Shares.

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Issues in 2014

On 8 September 2014, the Company received notice on behalf of Capital for Enterprise Fund A LP to convert £200,000 of the fund's holdings in convertible loan notes of the Company, at a conversion price of 2p per ordinary share, in accordance with the terms of the Debt Restructuring agreements announced on 18 March 2013. The liability converted, inclusive of principal, redemption premium of 25% and accrued interest from 1 March 2013, was £292,652 giving rise to an issue of 14,632,600 new Ordinary Shares.

On 19 September 2014, the Company raised £15.929 million before expenses by way of a Placing and Subscription for a total of 176,998,486 new Ordinary Shares at 9p per share and 88,499,236 Fundraising Warrants exercisable at 15p each.

On 20 September 2014, the Company raised £2.277 million before expenses by way of a Placing and Subscription with the Regent Pacific Group Limited for a total of 25,299,490 new Ordinary Shares at 9p per share and 12,769,954 Fundraising Warrants exercisable at 15p each.

On 29 September 2014, the Company received notice from Forest Nominees Limited to convert all £800,000 of its convertible loan notes into ordinary shares of 1p each. Interest on the loan notes was accrued in accordance with the restructuring announced on 18 March 2013 and an amount of £176,132 accrued to that date and was converted to new Ordinary Shares. In total 48,806,575 new Ordinary Shares were issued at 2p per share, to satisfy the aggregate of £976,132 arising on the conversion.

ON 9th March 2016, 100% of the issued share capital of the company was acquired by Regent Pacific Group Limited.

23 LEASING COMMITMENTS

The Group's aggregate minimum operating lease payments for the remaining lives of the leases are as follows:

	2015 Land and buildings £'000	2014 Land and Buildings £'000
Expiring in less than one year	4	4

The lease recorded in the financial statements is in respect of the Group's office premises.

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24 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

During the year, the Group transacted with certain related parties:

	Value of services acquired		Amounts due at 31 December	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Arc Portfolio Management Limited	14	36	1	3
Culminant Capital Inc	22	22	5	5
Galloway Limited	-	34	-	1,242
Global Pharma Consulting	28	46	-	19
Henderson Baillieu Ltd	17	-	17	-
Jim Mellon	657	54	337	934
Maven Capital Partners (UK) LLP	19	49	-	819
Mens Health Limited	-	83	-	-
Regent Pacific Group Limited	244	36	21	1
Vital Luck Limited	314	-	-	-

During 2015, £14,000 (2014: £36,000) was paid to Arc Portfolio Management Limited for M Collis's services as CFO. Mr Collis is a director and sole shareholder of Arc Portfolio Management Limited.

During 2015, £22,000 (2014: £22,000) of the fees paid to G Bailey, were paid to Culminant Capital Inc. G Bailey is a director and shareholder of Culminant Capital Inc.

During 2015, £nil (2014: £83,000) of the fees owed to M G Wyllie, were paid to Mens Health Limited. A further £28,000 (2014: £46,000) of fees owed to M G Wyllie were paid to Global Pharma Consulting. Dr Wyllie is a director and majority shareholder of Mens Health Limited and Global Pharma Consulting.

During 2015, £nil (2014: £17,000) was paid to Galloway Limited in respect of loan fees. During the year, Galloway converted its loan and accrued interest into share capital in the Company. Galloway Limited is wholly owned by a trust in which Jim Mellon, Chairman of the Company, has a life tenancy.

During 2015, £17,000 (2014: £nil) of fees paid to A Baillieu were paid to Henderson Baillieu Ltd following his appointment to the board as non executive director in May 2015. A Baillieu is a director of Henderson Baillieu Ltd.

During 2015, £657,000 (2014: £54,000) was paid to Jim Mellon for board fees and interest owed on the two bridge loans of £350,000 and £200,000 to the Group which provide additional working capital.

During 2015, £50,000 (2014: £36,000) of the £364,000 paid to J Gibson was paid to Regent Pacific Group Limited for J Gibson's service as CEO - a company in which Jim Mellon has an interest. The remainder £314,000 (2014: £nil) of fees paid to J Gibson were paid to Vital Luck Ltd. J Gibson is a director of Vital Luck Ltd.

During 2015, £19,000 (2014: £49,000) was paid to Maven Capital Partners (UK) LLP in respect of board fees for Mr Collis representation of Maven Capital Partners (UK) LLP's interest on the board. During the year, Maven also converted its loan and accrued interest into share capital in the Company.

25 SUBSEQUENT EVENTS

On 9 March, Plethora was acquired by Regent Pacific in a share-for-share transaction. Following the acquisition, J Mellon, G Bailey and A Baillieu resigned from board with immediate effect on 9 March 2016. See Strategic Report for more details.