Company Registration No. 06475379 (England and Wales)

Abingdon Health Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2019

Abingdon Health Limited

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Abingdon Health Limited

Company Information

Directors	Mr M Duckworth Dr C Hand Mr R Marlow Mr C Yates
Secretary	Mr S Page (Appointed 11 September 2019)
Company number	06475379
Registered Office	National Agri Food Innovation Campus Sand Hutton York YO41 1LZ
Auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Abingdon Health Limited

Directors' Report for the Year Ended 30 June 2019

The directors present their annual report and financial statements for the 12 months ended 30 June 2019.

Principal activities
The group's principal activity continued to be to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

The group has taken advantage of the exceptions set out in Section 414(b) of the Companies Act 2006 which permit it to not prepare a Strategic Report, on the grounds that it qualifies as a small group.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Duckworth
Dr C Hand
Mr R Marlow
Mr C Yates

Results and dividends
The results for the year are set out on pages 9 to 15. The directors do not recommend payment of a dividend (2018: £Nil)

Going concern

The Directors have concluded that it is necessary to draw attention to the revenue and cost forecasts in the business plans. In order for the Group and Company to continue as a going concern, there is a requirement to achieve a certain level of sales. Given the Company is in the early stages of developing certain products and transferring those to volume contract manufacturing arrangements, the forecast level of sales in the next 12 months is subject to inherent uncertainty. If an adequate sales level cannot be achieved to support the Group and Company, the Directors have the options to reduce on-going spend or seek additional funding from shareholders or providers of working capital facilities. While the Board is confident that it will achieve the required revenue and has a successful track record in both cutting costs and raising funds, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. This combination of factors represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern. However, based on the relative likelihood of achieving versus not achieving, the Board believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Principal risks

Market & liquidity risk
This is covered in the going concern section above and in note 20. The critical challenge facing the Company is growing revenues to breakeven in a timely fashion, and securing appropriate funding from shareholders and other sources when required. This risk is regularly monitored by the Board and operational management.

Capital risk
On 11 May 2018, the Company completed a refinancing and all £7,110,000 of outstanding loan notes were converted into 2,853,204 ordinary shares. Under the terms of the refinancing, all accrued interest was waived by the loan note holders.
On 26 July 2018 the Company entered into a new Enterprise Management Incentives Scheme in favour of some of its management team. Details shown in note 24.
Fundraising activity provided the Company with £1.5m of additional funds which was received on 18 January 2019.

Credit risk
The Group typically has cash resources which are held at bank/banks with high credit ratings. Customer credit is closely monitored. This risk is considered in note 20.

Technology risk
The Group's business faces intense competition from fellow diagnostic companies. Technological changes could overtake the products being developed by the Group, or the Group may incur substantial costs as a result of disputes with a third party relating to the infringement of IP. This is managed by an experienced senior management team with support from external consultants and advisors where appropriate.

Operational risk
The quality of developments and manufactured products are critical to the success of the business. This risk is managed through the application of a stringent Quality Management System, investing in new equipment, servicing existing equipment and employing a skilled and well-trained work force.

Auditor
In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
Mr R Marlow
Director

20 DECEMBER 2019.

Abingdon Health Limited

Directors' Responsibilities Statement

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 elected to prepare the financial statements in accordance with IFRS's as adopted by the EU. 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Abingdon Health Limited

Independent Auditor's Report to members of Abingdon Health Limited

Opinion
We have audited the financial statements of Abingdon Health Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 30 June 2019 which comprise the consolidated statement of comprehensive income, the Consolidated and company balance sheets, the Consolidated and company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Material uncertainty related to going concern
We draw attention to note 1.4 to the financial statements, which indicates that as part of a forecasting exercise performed for the next twelve months from the date of approval of these financial statements, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. As stated in note 1.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

the Parent Company financial statements are not in agreement with the accounting records and returns; or

certain disclosures of Directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

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

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom
23 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Abingdon Health Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2019

	Notes	Year ended 30 June 2019 £	18 months ended 30 June 2018 £
Revenue	3	2,277,293	2,268,446
Cost of sales		(705,383)	(583,090)
Gross profit		1,571,910	1,685,356
Administrative expenses		(3,021,359)	(6,359,100)
Operating loss	4	(1,449,449)	(4,673,744)
Share of operating profit of joint venture		-	302
Other income		-	61,879
Other gains and losses	5	-	12,013,941
Interest receivable	8	3,476	8,677
Interest payable	9	(704)	(4,347,644)
(Loss)/ profit before taxation		(1,446,677)	3,063,411
Taxation credit on (loss)/profit	10	205,740	462,168
(Loss)/ profit of the financial year/period		(1,240,937)	3,525,579
Other comprehensive income for the year/period net of tax		-	-
Total comprehensive income for the year/period		(1,240,937)	3,525,579
Attributable to:			
Equity holders of the parent		(1,240,937)	3,525,579

Abingdon Health Limited

Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Non-current assets			
Goodwill	12	3,742,411	3,742,411
Other intangible assets	12	779,512	861,321
Property, plant and equipment	13	106,351	115,026
		4,628,274	4,718,758
Current assets			
Inventories	15	406,414	389,166
Trade and other receivables	16	1,006,696	834,352
Cash and cash equivalents		866,152	476,909
		2,279,262	1,700,427
Total assets		6,907,536	6,419,185
Current liabilities			
Trade and other payables	17	737,896	538,587
Obligations under finance leases	19	3,701	3,701
		741,597	542,288
Non-current liabilities			
Obligations under finance leases	19	6,226	9,926
		6,226	9,926
Total liabilities		747,821	552,214
Net assets		6,159,713	5,866,971
Equity			
Attributable to the owners of the parent:			
Share capital	23	15,323	11,407
Share premium account	23	13,195,190	11,699,106
Share based payment reserve	24	33,679	-
Retained earnings		(7,084,479)	(5,843,542)
Total equity		6,159,713	5,866,971

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019... and are signed on its behalf by:

R Marlow

....

Mr R Marlow
Director

Company Registration No. 06475379

Abingdon Health Limited

Company Statement of Financial Position
As at 30 June 2019

	Notes	£	30 June 2019 £	£	30 June 2018 £
Non-current assets					
Other intangible assets	12		6,569		20,617
Property, plant and equipment	13		23,086		20,517
Investment in subsidiaries	14		418,638		418,638
Investment in associates	14		-		-
			448,293		459,772
Current assets					
Trade and other receivables falling due within one year	16	1,970,838		1,496,001	
Cash at bank and in hand		420,864		261,021	
		2,391,703		1,757,022	
Current liabilities					
Trade and other payables	17	208,821		213,920	
Net current assets			2,182,882		1,543,102
Total assets less current liabilities			2,631,175		2,002,874
Net assets			2,631,175		2,002,874
Equity					
Share capital	23		15,323		11,407
Share premium account	23		13,195,190		11,699,106
Share based payment reserve	24		33,679		-
Retained earnings			(10,613,017)		(9,707,639)
Total equity			**2,631,175**		**2,002,874**

The Company's loss after taxation for the year was £905,378 (2018 period loss: £1,041,520).

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019... and are signed on its behalf by:

....

Mr R Marlow
Director
Company Registration No. 06475379

Abingdon Health Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019

	Share Capital £	Share premium account £	Share based payment reserve £	Retained earnings £	Total equity attributable to owners of the parent £
Balance at 1 January 2017	7,005	10,171,934	99,974	(10,394,570)	(115,661)
Period ended 30 June 2018:					
Profit and loss	-	-	-	3,525,579	3,525,579
Total comprehensive income for the year	-	-	-	3,525,579	3,525,579
Issue of share capital	1,549	537,395	-	-	538,944
Share option unwinding	-	-	925,475	-	925,475
Debt-to-equity conversion - share issue	2,853	989,777	-	-	992,630
Debt-to-equity conversion - transfer from share based payment reserve	-	-	(1,025,449)	1,025,449	-
Balance at 30 June 2018	11,407	11,699,106	-	(5,843,542)	5,866,971
Year ended 30 June 2019:					
Profit and loss	-	-	-	(1,240,937)	(1,240,937)
Total comprehensive income for the year	-	-	-	(1,240,937)	(1,240,937)
Issue of share capital	3,916	1,496,084	-	-	1,500,000
Share based payments	-	-	33,679	-	33,679
Balance at 30 June 2019	15,323	13,195,190	33,679	(7,084,479)	6,159,713

Abingdon Health Limited

Company Statement of Changes in Equity
For the Year Ended 30 June 2019

	Notes	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity attributable to owners of the parent
		£	£	£	£	£
Balance at 1 January 2017		7,005	10,171,934	99,974	(9,691,568)	587,345
Period ended 30 June 2018:						
Profit and loss		-	-	-	(1,041,520)	(1,041,520)
Total comprehensive income for the period		-	-	-	(1,041,520)	(1,041,520)
Issue of share capital		1,549	537,395	-	-	538,944
Share option unwinding		-	-	925,475	-	925,475
Debt-to-equity conversion - share issue		2,853	989,777	-	-	992,630
Debt-to-equity conversion - transfer from share based payment reserve		-	-	(1,025,449)	1,025,449	-
Balance at 30 June 2018		11,407	11,699,106	-	(9,707,639)	2,002,874
Year ended 30 June 2019:						
Profit and loss		-	-	-	(905,379)	(905,379)
Total comprehensive income for the year		-	-	-	(905,379)	(905,379)
Issue of share capital		3,916	1,496,084	-	-	1,500,000
Share based payments		-	-	33,679	-	33,679
Balance at 30 June 2019		15,323	13,195,190	33,679	(10,613,018)	2,631,174

Abingdon Health Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Cash flows from operating activities:			
(Loss)/ profit for the year/period		(1,240,937)	3,525,579
Adjustments for:			
Finance (income)/ costs		(2,772)	4,338,967
Loan notes extinguished	5	-	(12,013,941)
Tax credit		(205,740)	(462,168)
Amortisation and impairment of intangible	12	139,144	341,526
assets		33,679	925,475
Share based payment	13	47,550	188,714
Depreciation of property, plant and equipment			
(Profit)/ loss on disposal of property, plant and equipment	13	(13,500)	963
Impairment of fixed asset investments	14	-	167,043
Changes in working capital:			
Increase in inventories	15	(17,248)	(133,095)
(Increase)/ decrease in trade and other receivables	16	(501,376)	401,707
Increase/ (decrease) in trade and other payables	17	200,029	(388,082)
Cash used by operations		(1,561,171)	(3,107,312)
Interest paid	9	(704)	(1,503)
Income taxes received		534,779	466,885
Net cash outflow from operating activities		(1,027,096)	(2,641,930)
Interest received	8	3,476	8,677
Purchase of intangible assets	12	(57,336)	(280,331)
Purchase of property, plant and equipment	13	(38,881)	(78,354)
Proceeds on disposal of property, plant and equipment		13,500	1,021
Investment in associate	14	-	(304)
Net cash used in investing activities		(79,241)	(349,291)

Abingdon Health Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Financing activities			
Proceeds from issue of own shares		1,500,000	538,944
Repayment of bank loans and borrowings	**18**	-	(210,000)
Payment of finance leases obligations	**19**	(4,420)	(5,107)
Proceeds from issue of loan notes and new finance lease		-	1,110,000
Net cash generated from financing		1,495,580	1,433,837
Net increase / (decrease) in cash and cash equivalents		389,243	(1,557,384)
Cash and cash equivalents at beginning of the year/period		476,909	2,034,293
Cash and cash equivalents at end of the year/period		866,152	476,909

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

1. Accounting policies

Company information
Abingdon Health Ltd ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is National Agri Food Innovation Campus, Sand Hutton, York, YO41 1LZ. The consolidated financial information (or "financial statements") incorporate the financial information of the Company and entities (its subsidiaries) controlled by the Company (collectively comprising the "Group").

The principal activity of the Group is to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

1.1 Accounting convention
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the requirements of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosure, on the grounds that equivalent disclosures for financial instruments are presented in the group accounts of Abingdon Health Ltd;
(b) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows;
(c) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions and balances between two or more members of a group;
(d) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(q)(ii), B66 and B67 of IFRS Business Combinations, for which equivalent disclosures are included in the group accounts of Abingdon Health Ltd;
(e) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
(iii) paragraph 118(e) of IAS 38 Intangible Assets.
(f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements; and
(g) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The financial statements are prepared in pounds sterling, which is the functional currency of the parent Company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the year was £905,378 (2018 loss: £1,041,520).

1.2 Reporting period
These financial statements cover a period of 12 months, whilst the comparative financial information covers a period of 18 months. This is due to the amended period end providing improved management capacity for managing the financial reporting process.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

1. Accounting policies (continued)

1.3 Basis of consolidation

The Group financial information consolidates those of the Company and the subsidiaries that the Company has control of. Control is established when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where a subsidiary undertaking is acquired/disposed of during the year, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal.

All inter-company balances and transactions between group companies have been eliminated on consolidation.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

The Group applies the acquisition method of accounting for business combinations enacted after the date of creation of the Group following incorporation of Abingdon Health Ltd, as detailed further below. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial information prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Entities other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence, are treated as associates. In the consolidated financial statements, associates are accounted for using the equity method.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

1. **Accounting policies (continued)**

1.4 Going concern

The Directors have concluded that it is necessary to draw attention to the revenue and cost forecasts in the business plans. In order for the Group and Company to continue as a going concern, there is a requirement to achieve a certain level of sales. Given the Company is in the early stages of developing certain products and transferring those to volume contract manufacturing arrangements, the forecast level of sales in the next 12 months is subject to inherent uncertainty.

If an adequate sales level cannot be achieved to support the Group and Company, the Directors have the options to reduce on-going spend or seek additional funding from shareholders or providers of working capital facilities. While the Board is confident that it will achieve the required revenue and has a successful track record in both cutting costs and raising funds, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. This combination of factors represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

However, based on the relative likelihood of achieving versus not achieving, the Board believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

1.5 Revenue

The Group has applied IFRS 15 'Revenue from contracts with customers' for the first time in the current reporting year. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied. Under the previous standard (IAS 18) the Group recognised revenue when the risks and rewards of the goods and services were transferred to the customer.

The Group has reviewed its contracts with customers and the performance obligations within those contracts and has concluded that no change is required to previously reported revenue. However, the Group has revised its accounting policies compared to those disclosed in the prior year Financial Statements to reflect the differences between IFRS 15 and IAS 18. The policies below reflect these revisions.

Long term contracts

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Revenue is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or assets. Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure if incurred. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Other

Deferred income arises where services are invoiced in advance of performance. The amount is released to the profit or loss in subsequent periods in reference to the stage of completion of the transaction at the reporting date.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

1. Accounting policies (continued)

Where the Group identifies rights to the economic benefits of other sources of income through fulfilment of certain performance criteria, the income is recognised in the relevant accounting period when those conditions are fulfilled, net of VAT.

1.6 Inventory

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Intangible fixed assets - goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable and separately recognised. See note 12 for information on how goodwill is initially determined. After initial recognition, goodwill is measured at cost less accumulated impairment losses. See note 12 for a description of impairment testing procedures.

1.8 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost. Where intangible assets are acquired as part of a business combination, cost is determined by reference to a fair value estimation technique as disclosed further in note 2. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for intangible assets with a finite useful life is reviewed each financial period-end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. Useful lives are typically amortised on the following basis:

Patents and Trademarks	10% straight line
Website Costs	20%-25% straight line
Development Costs	10% straight line

Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1. Accounting policies (continued)

1.9 Property, plant and equipment
Property, plant and equipment are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	20%-33% straight line
Office equipment	33% straight line
Leasehold improvements	Life of the lease

The residual value and the useful life of an asset are reviewed at least at each financial period-end and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in profit or loss.

1.10 Non-current investments
A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of non-current assets
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

1. Accounting policies (continued)

1.11 Impairment of non-current assets (continued)

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

1.12 Financial instruments

Financial assets
Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

All financial assets excluding investments are classified as loans and receivables; these comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial assets held for trading
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognised in finance revenue or finance expense in the Statement of Comprehensive Income.

1. Accounting policies (continued)

1.12 Financial instruments (continued)

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities include borrowings and trade and other payables.

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with the effective interest recognised as an expense in finance costs.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments
Share capital represents the nominal value of shares that have been issued.

Share premium represents the excess consideration received over share capital upon the sale of shares, less any incidental costs of issue.

Retained earnings include all current and prior period retained profits.

The non-controlling interest represents the portion of equity ownership in subsidiaries which is not attributable to the owners of the Company.

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Notes to the Financial Statements
For the Year Ended 30 June 2019

1. Accounting policies (continued)

1.13 Equity instruments (continued)

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 24.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

1.15 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1. Accounting policies (continued)

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 24.

1.18 Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability.

This liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.19 Standards, amendments and interpretations in issue and adopted for the first time

The current standards, amendments and interpretations have been adopted in the period and have not had a material impact on the Group and Company's financial statements:

- Amendments to IAS 40 'Investment Property' for transfers of investment property
- IFRS 15 'Revenue from Contracts with Customers', including clarifications made to the standard since initial release
- IFRS 9 'Financial Instruments'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Amendments to IFRS 2 'Share-based Payment' for classification and measurement of share-based payment transactions
- Amendments to IFRS 4 'Insurance Contracts' around interaction with IFRS 9

The disclosure requirements of the group have been revised to comply with the updated requirements of IFRS 9 'Financial Instruments' but the group has not otherwise adjusted the carrying value of its assets or liabilities at either reporting date.

1. Accounting policies (continued)

1.20 Standards, amendments and interpretations in issue but not yet effective

At the authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet and in some cases have not been adopted by the EU:

	EU effective date – period beginning on or after
IFRS 16 'Leases'	1 January 2019
Annual improvements to IFRS's (2015 – 2017)	1 January 2019 *
IFRS 17 'Insurance Contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts'	1 January 2021 *
Amendments to IFRS 9 'Financial Instruments' for prepayment features with negative compensation	1 January 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' for long term interests in associates and joint ventures	1 January 2019
Amendments to IAS 19 'Employee benefits' for plan amendments, curtailments and settlements	1 January 2019
Amendments to IFRS 3 'Business combinations' for previously held interests in a joint operation	1 January 2019
Amendments to IFRS 11 'Joint arrangements' for previously held interests in a joint operation	1 January 2019
Amendments to IAS 12 'Income taxes' for the income tax consequences of payments on financial instruments classified as equity	1 January 2019
Amendments to IAS 23 'Borrowing costs' around borrowing costs eligible for capitalisation	1 January 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	1 January 2019
Amendments to IFRS 3 'Business combinations' around the definition of a business	1 January 2020
Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' for the definition of material	1 January 2020
The Conceptual Framework for Financial Reporting	1 January 2020
IFRS 17 'Insurance Contracts'	1 January 2021

* These standards, amendments and interpretations have not yet been endorsed by the EU and the dates shown are the expected dates.

The directors have reviewed the impact of IFRS 16 'Leases' and expect this to have a material impact on the financial statements. As at the current period end, it is expected that the implementation of IFRS 16 will create right of use assets with carrying value £374,239 and associated lease liabilities of £404,513, with current period reported profits being increased by £10,682 for adjustments in respect of derecognising operating lease rentals, and recognising depreciation on right of use assets and finance costs on the lease.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Going concern
The accounts are prepared on the going concern basis, despite significant level of retained losses. Further explanation of this judgement is provided in note 1.4.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Weighted Average Cost of Capital
Where discounting is required by accounting standards, it is necessary to make estimates in respect of matters including the Company's cost of equity and debt. The estimates are updated when the inputs are deemed to have changed.

Valuation of intangible assets (Group 2019: £779,512; 2018: £861,321)
Management judgement is required to estimate the useful lives of intangible assets, having reference to future economic benefits expected to be derived from use of the asset. Economic benefits are based on the fair values of estimated future cash flows. See Note 12.

Impairment of goodwill (Group 2019: £3,742,411; 2018: £3,742,411)
Goodwill is tested annually for impairment. The test considers future cash flow projections of cash-generating units that give rise to the goodwill. Where the discounted cash flows are less than the carrying value of goodwill, an impairment charge is recognised for the difference. Further analysis of the estimates and judgements is disclosed in Note 12.

Deferred tax assets (Group 2019: £nil; 2018: £nil)
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies and having regard to their strategic planning processes when making these judgements. Further details are contained in Note 21.

Share based payments
The determination of the fair values of EMI options has been made by reference to the Black-Scholes model with the inputs set out in Note 24.

3. Revenue

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors.

The Group has operating segments:

- Clinical Sales: this comprises of the sale of Seralite products for monitoring multiple myeloma.
- Contract Services: this comprises contract development and manufacturing activities.
- Product Sales: this comprises the sale of Pocket Diagnostic products, PCRD tests and antibodies for research use.
- Other Income: being revenue for ad hoc services including revenues from grants.

Due to the specific nature of the Group's market, each component of revenue naturally falls within one of these segments. The operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. All assets, liabilities and revenues are located in, or derived in, the United Kingdom.

Margins, overheads and balance sheet items are not broken down into the operating segments but are reviewed on a consolidated basis.

During the year the Group had 4 (2018 - 2) customers with turnover comprising between 10% and 20% of Group revenue. In each case a contract is in place for the services provided. Whilst all the key customers have been important in enabling the Company to generate revenue growth in key areas and future expected growth, none of them have been considered as critical factors in the directors' assessment of going concern.

Segmental analysis of revenue

	Year ended 2019 £	18 months ended 2018 £
Clinical sales	376,300	234,007
Contract services	1,539,446	1,654,696
Product sales	191,676	344,766
Other income	169,871	34,977
	2,277,293	2,268,446

Revenue analysed by geographical market

	Year ended 2019 £	18 months ended 2018 £
United Kingdom	1,381,455	1,232,245
Europe	739,575	857,754
Rest of World	156,263	178,447
	2,277,293	2,268,446

4. Operating costs

	Year ended 2019 £	18 months ended 2018 £
Operating loss for the period is stated after charging/(crediting):		
Grant income	(168,371)	(14,099)
Depreciation of owned property, plant and equipment	47,550	173,525
Depreciation of property, plant and equipment held under finance leases	-	15,200
Cost of inventories recognised as an expense	655,289	541,605
Impairment of inventories	10,129	6,617
Research costs expensed	210,731	285,043
Amortisation and impairment of intangible assets	139,144	341,526
Operating lease charges (rent)	308,848	499,524

5. Other Gains and Losses

	Year ended 2019 £	18 months ended 2018 £
Loan notes extinguished	-	12,013,941

The prior year gains reported in the Statement of Comprehensive Income have been calculated in accordance with IFRIC 19, which permits the difference between the fair value of the equity issued and the fair value of liabilities extinguished to be recognised as a gain within the Income Statement. The liabilities extinguished represented loan notes with interest on the face value of the loan, and a 75% redemption premium, previously accounted for using the amortised cost method, which were exchanged for a new issue of share capital with associated premium, with the premium determined through a fair value calculation of the company determined after adjustment for elimination of the loan. The reclassification consists of a change in measurement basis from amortised cost accounting to fair value as at transfer date. The company has not retained any liability to the loan note holders following the conversion of the loan notes.

The present value of the loan notes as at 31 December 2016 was £7,553,537 and new loan notes were issued in October 2017 amounting to £1,110,000. Interest on these balances have been unwound at a rate of 37.75% , being the internal rate of return taking into account the 75% redemption premium attached to the notes. Interest has therefore been calculated up until the point in which the notes were converted, being 11 May 2018, amounting to £4,343,034, with this interest being recognised as a finance expense in note 9. The difference between the present value of the loan notes as at this date and the fair value of equity converted, being £13,006,571 and £992,630 respectively, results in a gain realised of £12,013,941 which is presented within the Consolidated Statement of Comprehensive Income.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

6. Auditor's remuneration

	Year ended 2019 £	18 months ended 2018 £
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	19,750	20,500
For non-audit services		
Tax advice for the Group	11,750	29,750

7. Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	Year ended 2019 Number	18 months ended 2018 Number
Production	13	12
Research	14	20
Management and administration	17	18
	44	50

On a full-time equivalent basis, there were 39 (2018 - 47) employees during the year.

Their aggregate remuneration comprised:

	Year ended 2019 £	18 months ended 2018 £
Wages and salaries	1,930,278	3,461,063
Social security costs	200,497	359,261
Pension costs	89,633	145,145
Share based payment expense	33,679	925,475
	2,254,087	4,890,944

Details of Directors' remuneration are provided in note 27.

The total cost of employee remuneration includes £57,336 (2018 - £272,388) of costs which have been on development projects, and which have accordingly been capitalised as an intangible asset, shown further in note 12.

Notes to the Financial Statements
For the Year Ended 30 June 2019

8. Finance income

	Year ended 2019 £	18 months ended 2018 £
Interest income		
Bank interest receivable	3,476	8,677
	3,476	8,677

9. Finance costs

	Year ended 2019 £	18 months ended 2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loan notes	-	4,346,141
Interest on finance leases	704	1,503
	704	4,347,644

10. Taxation

	Year ended 2019 £	18 months ended 2018 £
Current tax		
UK Corporation tax on profits for the current period	205,740	474,712
Adjustments in respect of prior periods	-	-
Total current tax	205,740	474,712
Deferred tax		
Origination and reversal of temporary differences	-	(12,544)
Total deferred tax	-	(12,544)
Total tax credit	205,740	462,168

10. Taxation (continued)

The charge for the period can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	Year ended 2019	18 months ended 2018
	£	£
(Loss)/profit before taxation	(1,446,677)	3,063,411
Expected tax (credit)/charge based on a corporation tax rate of 19%	(274,867)	587,098
Tax effect of expenses that are not deductible in determining taxable profit	269,876	(599,642)
Tax effect of utilisation of tax losses not previously recognised	-	-
Research and development tax credits	210,731	474,712
Total tax credit	205,740	462,168

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted in October 2015. Further reduction to 17% (effective from 1 April 2020) was substantively enacted in September 2016. These rates have therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2018: 18%), except for on share options which are expected to be exercised before 1 April 2020 and as such are measured at 19%.

11. Dividends

No dividends were paid in the current or prior period.

12. Goodwill and other intangible assets

Group	Goodwill	Patents and trademarks	Website	Development costs	Total
	£	£	£	£	£
Cost					
At 1 July 2018	3,742,411	32,141	83,191	1,359,889	5,217,632
Additions	-	-	-	57,336	57,336
Disposals	-	-	-	-	-
As 30 June 2019	3,742,411	32,141	83,191	1,417,225	5,274,968
Amortisation and impairment					
At 1 July 2018	-	21,103	69,778	523,020	613,901
Amortisation charged for the year	-	1,310	12,738	125,096	139,144
Disposals	-	-	-	-	-
At 30 June 2019	-	22,413	82,516	648,116	753,045
Carrying amount					
At 30 June 2019	3,742,411	9,728	675	769,109	4,521,923
At 1 July 2018	3,742,411	11,038	13,413	836,870	4,603,730

The Group tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is assessed for impairment by comparing the carrying values with the value-in-use calculation, which is determined by calculating the net present value (NPV) of future cash flows arising from the original acquired business.

The carrying amount of goodwill is indicated in the table above. The net book value of goodwill above for Forsite Diagnostics Limited amounts to £763,143 (2018: £763,143), for Serascience Limited amounts to £2,979,268 (2018: £2,979,268) and Molecular Vision Limited £nil (2018: £nil). Due to the nature of the operations the recoverable amount of Forsite Diagnostics and Serascience has been considered to make up one cash generating unit, this recoverable amount has been determined based on a value in use calculation using cash flow projections based on the actual results for the year ended 30 June 2019 and the financial forecasts prepared by the Board covering the period to 30 June 2022, with projected cash flows through to June 2022 based on the growth rates forecast by management based on the maturity of the respective divisions. A growth rate of 3% has been used. A pre-tax discount rate of 11.0% has been used.

A 32.5% reduction in revenue growth rates over the next 3 years combined with a 20% reduction in terminal growth rate and a 1.5% increase in pre-tax discount rate would reduce the headroom in the base case impairment model to zero. A failure to achieve the expected revenue growth could therefore make an impairment to goodwill reasonably possible.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

12. Goodwill and other intangible assets (continued)

As a result of this review, there has been no impairment to the carrying value of goodwill or intangibles.

The carrying amounts of goodwill have been assigned to the following cash-generating units:

	Group	
	30 June 2019	**30 June 2018**
Clinical and contract services	3,742,411	3,742,411
	3,742,411	3,742,411

Company

	Website £	**Lease costs £**	**Total £**
Cost			
At 1 July 2018	78,923	9,169	88,092
Additions – separately acquired	-	-	-
Disposals	-	-	-
As 30 June 2019	78,923	9,169	88,092
Amortisation and impairment			
At 1 July 2018	65,510	1,965	67,475
Amortisation charged for the period	12,738	1,310	14,048
Disposals			
At 30 June 2019	78,248	3,275	81,523
Carrying amount			
At 30 June 2019	675	5,894	6,569
At 30 June 2018	13,413	7,204	20,617

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

13. Property, plant and equipment

Group

	Improvements to leasehold property	Plant and machinery	Office equipment	Total
	£	£	£	£
Cost				
At 1 July 2018	30,331	1,116,116	110,974	1,257,421
Additions	-	24,655	14,226	38,881
Disposals	-	(49,073)	-	(49,073)
At 30 June 2019	30,331	1,091,698	125,200	1,247,229
Depreciation and impairment				
At 1 July 2018	21,375	1,023,036	97,990	1,142,401
Depreciation charged in the period	3,583	34,471	9,496	47,550
Eliminated in respect of disposals	-	(49,073)	-	(49,073)
At 30 June 2019	24,958	1,008,434	107,486	1,140,878
Carrying amount				
At 30 June 2019	5,373	83,264	17,714	106,351
At 30 June 2018	8,956	93,087	12,983	115,026

The net carrying value of property, plant and equipment includes the following in respect of assets held under finance leases or hire purchase contracts, which are secured by the lessors' title to the assets. The depreciation charge in respect of such assets amounted to £nil (2018 - £19,000) for the period. These assets were fully depreciated at the end of 2018.

Company

	Improvements to leasehold property	Office equipment	Total
	£	£	£
Cost			
At 1 July 2018	14,330	62,512	76,842
Additions	-	14,226	14,226
Disposals	-	-	-
At 30 June 2019	14,330	76,738	91,068
Depreciation and impairment			
At 1 July 2018	5,374	50,951	56,325
Depreciation charged in the period	3,583	8,074	11,657
Disposals	-	-	-
At 30 June 2019	8,957	59,025	67,982
Carrying amount			
At 30 June 2019	5,373	17,713	23,086
At 30 June 2018	8,956	11,561	20,517

14. Investments

Group

	2019	2018
	£	£
Investments in associates	-	-
	-	-

Company

	2019	2018
	£	£
Investments in subsidiaries	418,638	418,638
Investments in associates	-	-
	418,638	418,638

Movements in investment - Company	**Associates**
	£
Share of net assets	
At 1 July 2018	167,043
Additions	-
Disposals	-
At 30 June 2019	167,043
Impairment	
At 1 July 2018	167,043
Impairment during the year	-
At 30 June 2019	167,043
Carrying amount	
At 30 June 2019	-
At 30 June 2018	-

As at 31 December 2016 and 30 June 2018 the company held 35% of the shares of Linear Diagnostics Limited ("LDL"), its associate. LDL is an early stage diagnostic technology company. As a result of uncertainty about the commercial potential of LDL's technology, the company has written down the value of its investment (£167,043) and loans (£176,197) to LDL to £nil. LDL completed a fundraising post-year end and all loans were converted to equity as part of this fundraising. Post-fundraising, Abingdon Health held 18% of the shares of LDL.

The company has unrecognised losses for the year of £81,520 (2018: £30,795) and cumulative unrecognised losses of £103,938 (2018: £22,418).

Details of subsidiaries are included in Note 29.

Notes to the Financial Statements
For the Year Ended 30 June 2019

14. Investments (continued)

Summarised Financial Information - Linear Diagnostics Limited

	2019	2018
	£	£
Non-current assets	315,083	1,036
Current assets	26,584	102,450
Current liabilities	(99,458)	(23,193)
Non-current liabilities	(924,584)	(763,360)
Net Liabilities	(682,375)	(688,067)
Revenue	31,853	71,253
Loss after tax	(232,916)	(338,191)

Movements in Investments Company	Equity investments in subsidiaries	Investments in associates	Total
	£	£	£
Cost or valuation			
At 1 July 2018	6,238,741	167,043	6,405,784
Additions	-	-	-
Disposals	-	-	-
At 30 June 2019	6,238,741	167,043	6,405,784
Impairment			
At 1 July 2018	5,820,103	167,043	5,987,146
Provision for impairment	-	-	-
Disposals	-	-	-
At 30 June 2019	5,820,103	167,043	5,987,146
Carrying amount			
At 30 June 2019	418,638	-	418,638
At 30 June 2018	418,638	-	418,638

15. Inventories

Group	2019 £	2018 £
Raw materials	338,154	248,518
Work in progress	32,968	53,782
Finished goods	35,292	86,866
	406,414	389,166

Company	2019 £	2018 £
Inventories	-	-

16. Trade and other receivables

Group Amounts falling due within one year:	2019 £	2018 £
Trade receivables	422,518	96,006
Other receivables and prepayments	584,178	738,346
	1,006,696	834,352

Trade receivables at the reporting date are shown above net of provisions. Expected credit losses for the following 12 months have been estimated in accordance with IFRS 9, taking into account that there has been no significant increase in credit risk. Given the straightforward nature of the group's receivables, the directors consider that the group qualifies for Stage 1 impairment models which permit the simplified recognition of credit losses arising from default events that are possible within the next 12 months only.

Trade receivables are stated net of impairment for estimated irrecoverable amounts of £26,238 (2018: £26,238). This impairment has been determined by reference to past default experience and known issues. Write offs are made when the irrecoverable amount becomes certain. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Included within prepayments and accrued income is an amount of £42,363 (2018 - £nil) relating to contract assets, calculated in accordance with IFRS 15.

Movement on the allowance for irrecoverable amounts on trade receivables are as follows:

	2019 £	2018 £
Beginning of the period	26,238	26,238
Provision for bad receivables	8,400	28,010
Released during the period	(8,400)	(28,010)
End of the year/period	26,238	26,238

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

16. Trade and other receivables (Continued)

An analysis of the trade debtors past due but not impaired is:

	2019	2018
	£	£
60 to 120 days	5,581	4,800
More than 120 days	76,856	51,605
Less provision	(26,238)	(26,238)
Total trade debtors past due but not impaired	56,199	30,167
Add:		
Less than 60 days	366,319	65,839
Net trade receivables	422,518	96,006

The Directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be good.

Company	**2019**	**2018**
Amounts falling due within one year:	**£**	**£**
Trade receivables	-	-
Other receivables and prepayments	229,968	21,737
Amounts due from subsidiaries	1,740,870	1,474,264
	1,970,838	1,496,001

17. Current trade and other payables

Group	**2019**	**2018**
	£	£
Trade payables	431,106	215,652
Current tax liabilities	76,786	132,258
Other payables	230,004	190,677
	737,896	538,587

Other payables include £13,000 repayable to a former shareholder in instalments (2018: £13,000) Further information is provided in Note 18.

Included within accruals and deferred income is an amount of £75,094 (2018 - £nil) relating to deferred revenues, calculated in accordance with IFRS 15.

Company	**2019**	**2018**
	£	£
Trade payables	131,178	63,306
Current tax liabilities	39,228	113,329
Other payables	38,415	37,285
	208,821	213,920

18. Borrowings

Group	2019 £	2018 £
Other payables	13,000	13,000
	13,000	13,000
Payable within one year	13,000	13,000
Payable between one and two years	-	-
Payable between two and five years	-	-
	13,000	13,000

Other payables are an amount repayable to a former shareholder in instalments. No interest is charged on this balance. The outstanding balance at 30 June 2019 is £13,000 (2018 - £13,000).

19. Obligations under finance leases

Future minimum lease payments due under finance leases:

Group	2019 £	2018 £
Within one year	3,939	4,405
In two to five years	5,988	10,645
	9,927	15,050
Less: future finance charges	(720)	(1,421)
	9,207	13,629

Finance lease and hire purchase borrowings are secured against the assets to which they relate.

20. Financial instruments

Market and liquidity risks
Liquidity risk is the risk that the company fails to have sufficient funds to meet its debts as they become due. The Group holds funds in short-term bank deposits so that they are available when required. The liquidity risk of the Group is managed centrally. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which regularly monitors the Group's short-medium and long-term funding, and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash and cash equivalents and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk
During the period, the Group's credit risk was primarily attributable to its cash balances, other loans receivable, and its trade receivables. Credit risk, is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings. The risk to the Group of trade receivables going bad is deemed relatively low due to the size and stature of the customers the company now trades with. There were no allowances for debt recovery as at the current or previous period end.

Notes to the Financial Statements
For the Year Ended 30 June 2019

20. Financial Instruments (Continued)

Capital management
As described in Note 23 the Group considers its capital to comprise its ordinary share capital, share premium, share based payment reserve, and accumulated deficit as its capital reserves. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to commercialise the development which has been undertaken to date, through major sales in a number of markets.

There have been no significant changes to the Group's capital management objectives, policies and processes in the period nor has there been any change in what the Group considers to be its capital.

Exchange rate and interest rate risk
All of the Group's borrowings are at fixed interest rates. The Group is therefore not exposed to the impact of changes in interest rates in the medium term. The level of debt is reviewed regularly by the Board.

The majority of purchases are denominated in Sterling. The Group is therefore not materially exposed to the impact of changes in exchange rates.

Group	**2019**	**2018**
Carrying amount of financial assets		
Measured at fair value	1,643,055	1,128,284
Debt instruments measured at amortised cost	-	-
	1,643,055	1,128,284
Carrying amount of financial liabilities		
Measured at fair value	671,035	419,956
Measured at amortised cost	-	-
	671,035	419,952

The undiscounted contractual maturity analysis for Group financial instruments is shown below. The maturity analysis reflects the contractual undiscounted cashflows, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date.

Financial liabilities	**Demand and less than 3 months**	**From 3 to 12 months**	**From 12 months to 2 years**	**From 2 to 5 years**	**Total**
Trade and other payables	406,329	-	-	-	406,329
Loan notes	-	-	-	-	-
Finance leases	903	2,798	3,939	5,989	13,629
At 30 June 2018	407,232	2,798	3,939	5,989	419,958
Trade and other payables	661,108	-	-	-	661,108
Loan notes	-	-	-	-	-
Finance leases	903	2,798	238	5,988	9,927
At 30 June 2019	662,011	2,798	238	5,988	671,035

Notes to the Financial Statements
For the Year Ended 30 June 2019

21. Deferred tax

As at the year-end there are no deferred tax balances in the group or company (2018 - £nil).

Movements by category of deferred tax are as follows:

	Liability/(asset) at 1 January 2017	Charge to profit or loss	Liability/(asset) at 30 June 2018
Convertible loan notes	16,810	(16,810)	-
Share options	(33,487)	33,487	-
Discounting external loans	4,133	(4,133)	-
Net deferred tax movement	(12,544)	12,544	-

Company
A deferred tax asset amounting to £1,315,341 (2018: £628,487), in respect of trading losses carried forward of £7,737,299 (2018: £3,491,592), has not been recognised due to uncertainty over future profits.

Group
A deferred tax asset amounting to £2,651,153 (2018: £1,989,103), in respect of trading losses carried forward of £15,595,016 (2018: £11,050,573), has not been recognised due to uncertainty over future profits.

22. Retirement benefit schemes

	2019 £	2018 £
Charge to profit and loss in respect of defined contribution schemes	89,633	145,145

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At the period end there is a pension creditor of £12,784 (2018 - £16,501).

23. Share capital

	2019	2018
Ordinary share capital		
Authorised, allotted and fully paid	**Number**	**Number**
Ordinary shares of 0.1p each	11,406,826	11,406,826
A Ordinary shares of 0.1p each	3,916,450	-
	15,323,276	11,406,826
	£	**£**
Ordinary shares of 0.1p each	11,407	11,407
Ordinary 'A' shares of 0.1p each	3,916	-
	15,323	11,407

On 18 January 2019 3,916,450 ordinary 'A' shares were issued for consideration of £1,500,000.

Both classes of shares carry one vote per share and rank pari-passu in respect of dividend. On a return of assets on liquidation or otherwise (except on a redemption of shares of any class or the purchase by the company of its own shares) the assets of the company remaining after the payment of its liabilities shall be distributed amongst shareholders as follows: firstly an amount equal to the subscription price of the A Ordinary shares shall be paid to the holders of the A Ordinary shares; the remaining amount of the surplus (if any) shall be paid to shareholders (as if all shares constituted a single class) in proportion to the number of such shares held by them.

Reconciliation of movements during the period:

	Ordinary Number
At 1 July 2018	11,406,826
Issue of fully paid shares	3,916,450
At 30 June 2019	15,323,276

No share options became exercisable during the period (2018: nil).

Reserves of the company represent the following:

Share Capital - Shares in the company held by shareholders at a proportional level with equal voting rights per share.
Share Premium - Excess over share capital of any investments.
Retained earnings - This comprises the accumulated trading results of the group.
Share-based payment reserve - This reserve comprises the fair value of options share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

24. Share options

Group & Company	Number of share options		Weighted average exercise price	
	30 June 2019 Number	30 June 2018 Number	30 June 2019 £	30 June 2018 £
Outstanding at 1 July 2018	-	1,100,427	-	0.94
Granted	344,928	-	0.001	-
Exercised	-	-	-	-
Cancelled	(57,488)	(937,638)	-	(1.02)
Forfeited	-	(162,789)	0.001	(0.48)
Outstanding at 30 June 2019	287,440	-	0.001	-
Exercisable at 30 June 2019	287,440	-	-	-

No options were exercised during the year.

The options outstanding at 30 June 2019 had an exercise price of £0.001 and a remaining contractual life ranging between July 2019 and July 2029.

The options exist at 30 June 2019 across the following share option schemes:

	Number of shares	Exercise price per share (£)	Fair value of scheme	Vesting period
Options issued in July 2018	287,440	0.001	99,720	2.75 years
	287,440		99,720	

The fair value of the scheme is being expensed over the vesting period. All share options expire 10 years after the date of issue.

	Group		Company	
	30 June 2019 £	30 June 2018 £	30 June 2019 £	30 June 2018 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	33,679	925,475	33,679	925,475

25. Guarantees and contingent liabilities

At 30 June 2019, the Group and Company had no contingent liabilities (2018 - none). The borrowings disclosed in Note 18 were secured over the assets of the Group including the Company. The amounts payable to a former shareholder (2019: £13,000; 2018: £13,000) disclosed in notes 17 and 18 are guaranteed by the Company.

26. Operating lease commitments

Lessee
Operating leases relating to land and buildings are on normal commercial terms with no rent-free periods or other incentives, and include requirements to restore sites at the end of the agreements for which amounts have been provided for. Other agreements relate to motor vehicles on terms of one to three years, with no lease incentives.

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 30 June 2019 £	30 June 2018 £
Land and buildings		
Within one year	269,020	255,378
Between two and five years	961,137	1,045,350
In over five years	-	139,217
	1,230,157	1,439,945

27. Directors' remuneration and transactions

	30 June 2019 £	30 June 2018 £
Remuneration for qualifying services	378,542	738,637
Company pension contributions to defined contribution schemes	15,440	26,200
	393,982	764,837

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

28. Related party transaction

Remuneration of key management personnel
The key management personnel are considered to be the Board of Directors and members. Refer to note 27 for details of key management personnel remuneration.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

29. Subsidiaries

Details of the Company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
Forsite Diagnostics Limited (UK)	Manufacturing of diagnostic devices	Ordinary shares	100%
Molecular Vision Limited (UK)	Consultancy and R&D into a diagnostics technology platform	A1 Preference shares	100%
Serascience Limited (UK)	Development and sales of medical diagnostic devices	Ordinary shares	100%
Associate			
Linear Diagnostics Limited (UK)	R&D into a diagnostics technology platform	Ordinary shares	35%

All investments are directly held by the company.

Forsite Diagnostics Limited and Molecular Vision Limited have the same registered address as noted on the company information page in these financial statements.

The registered office of Serascience Limited is Newstead House, Pelham Road, Nottingham, NG5 1AP.

The investments in subsidiaries are all stated at cost less impairment in the financial statements.

30. Ultimate controlling party

In the opinion of the directors, no one party has ultimate control due to shareholding.

Company Registration No. 06475379 (England and Wales)

Abingdon Health Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2019

Abingdon Health Limited

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Abingdon Health Limited

Company Information

Directors	Mr M Duckworth Dr C Hand Mr R Marlow Mr C Yates
Secretary	Mr S Page (Appointed 11 September 2019)
Company number	06475379
Registered Office	National Agri Food Innovation Campus Sand Hutton York YO41 1LZ
Auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Abingdon Health Limited

Directors' Report for the Year Ended 30 June 2019

The directors present their annual report and financial statements for the 12 months ended 30 June 2019.

Principal activities
The group's principal activity continued to be to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

The group has taken advantage of the exceptions set out in Section 414(b) of the Companies Act 2006 which permit it to not prepare a Strategic Report, on the grounds that it qualifies as a small group.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Duckworth
Dr C Hand
Mr R Marlow
Mr C Yates

Results and dividends
The results for the year are set out on pages 9 to 15. The directors do not recommend payment of a dividend (2018: £Nil)

Going concern

The Directors have concluded that it is necessary to draw attention to the revenue and cost forecasts in the business plans. In order for the Group and Company to continue as a going concern, there is a requirement to achieve a certain level of sales. Given the Company is in the early stages of developing certain products and transferring those to volume contract manufacturing arrangements, the forecast level of sales in the next 12 months is subject to inherent uncertainty. If an adequate sales level cannot be achieved to support the Group and Company, the Directors have the options to reduce on-going spend or seek additional funding from shareholders or providers of working capital facilities. While the Board is confident that it will achieve the required revenue and has a successful track record in both cutting costs and raising funds, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. This combination of factors represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern. However, based on the relative likelihood of achieving versus not achieving, the Board believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Principal risks

Market & liquidity risk
This is covered in the going concern section above and in note 20. The critical challenge facing the Company is growing revenues to breakeven in a timely fashion, and securing appropriate funding from shareholders and other sources when required. This risk is regularly monitored by the Board and operational management.

Capital risk
On 11 May 2018, the Company completed a refinancing and all £7,110,000 of outstanding loan notes were converted into 2,853,204 ordinary shares. Under the terms of the refinancing, all accrued interest was waived by the loan note holders.
On 26 July 2018 the Company entered into a new Enterprise Management Incentives Scheme in favour of some of its management team. Details shown in note 24.
Fundraising activity provided the Company with £1.5m of additional funds which was received on 18 January 2019.

Directors' Report for the Year Ended 30 June 2019 (continued)

Credit risk
The Group typically has cash resources which are held at bank/banks with high credit ratings. Customer credit is closely monitored. This risk is considered in note 20.

Technology risk
The Group's business faces intense competition from fellow diagnostic companies. Technological changes could overtake the products being developed by the Group, or the Group may incur substantial costs as a result of disputes with a third party relating to the infringement of IP. This is managed by an experienced senior management team with support from external consultants and advisors where appropriate.

Operational risk
The quality of developments and manufactured products are critical to the success of the business. This risk is managed through the application of a stringent Quality Management System, investing in new equipment, servicing existing equipment and employing a skilled and well-trained work force.

Auditor
In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
Mr R Marlow
Director

20 DECEMBER 2019.

Abingdon Health Limited

Directors' Responsibilities Statement

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 elected to prepare the financial statements in accordance with IFRS's as adopted by the EU. 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Abingdon Health Limited

Independent Auditor's Report to members of Abingdon Health Limited

Opinion
We have audited the financial statements of Abingdon Health Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 30 June 2019 which comprise the consolidated statement of comprehensive income, the Consolidated and company balance sheets, the Consolidated and company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Material uncertainty related to going concern
We draw attention to note 1.4 to the financial statements, which indicates that as part of a forecasting exercise performed for the next twelve months from the date of approval of these financial statements, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. As stated in note 1.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

the Parent Company financial statements are not in agreement with the accounting records and returns; or

certain disclosures of Directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

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

Abingdon Health Limited

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom
23 DECEMBER 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Abingdon Health Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2019

	Notes	Year ended 30 June 2019 £	18 months ended 30 June 2018 £
Revenue	3	2,277,293	2,268,446
Cost of sales		(705,383)	(583,090)
Gross profit		1,571,910	1,685,356
Administrative expenses		(3,021,359)	(6,359,100)
Operating loss	4	(1,449,449)	(4,673,744)
Share of operating profit of joint venture		-	302
Other income		-	61,879
Other gains and losses	5	-	12,013,941
Interest receivable	8	3,476	8,677
Interest payable	9	(704)	(4,347,644)
(Loss)/ profit before taxation		(1,446,677)	3,063,411
Taxation credit on (loss)/profit	10	205,740	462,168
(Loss)/ profit of the financial year/period		(1,240,937)	3,525,579
Other comprehensive income for the year/period net of tax		-	-
Total comprehensive income for the year/period		(1,240,937)	3,525,579
Attributable to:			
Equity holders of the parent		(1,240,937)	3,525,579

Abingdon Health Limited

Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Non-current assets			
Goodwill	12	3,742,411	3,742,411
Other intangible assets	12	779,512	861,321
Property, plant and equipment	13	106,351	115,026
		4,628,274	4,718,758
Current assets			
Inventories	15	406,414	389,166
Trade and other receivables	16	1,006,696	834,352
Cash and cash equivalents		866,152	476,909
		2,279,262	1,700,427
Total assets		6,907,536	6,419,185
Current liabilities			
Trade and other payables	17	737,896	538,587
Obligations under finance leases	19	3,701	3,701
		741,597	542,288
Non-current liabilities			
Obligations under finance leases	19	6,226	9,926
		6,226	9,926
Total liabilities		747,821	552,214
Net assets		6,159,713	5,866,971
Equity			
Attributable to the owners of the parent:			
Share capital	23	15,323	11,407
Share premium account	23	13,195,190	11,699,106
Share based payment reserve	24	33,679	-
Retained earnings		(7,084,479)	(5,843,542)
Total equity		6,159,713	5,866,971

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019... and are signed on its behalf by:

R Marlow
....
Mr R Marlow
Director

Company Registration No. 06475379

Abingdon Health Limited

Company Statement of Financial Position
As at 30 June 2019

	Notes	£	30 June 2019 £	£	30 June 2018 £
Non-current assets					
Other intangible assets	12		6,569		20,617
Property, plant and equipment	13		23,086		20,517
Investment in subsidiaries	14		418,638		418,638
Investment in associates	14		-		-
			448,293		459,772
Current assets					
Trade and other receivables falling due within one year	16	1,970,838		1,496,001	
Cash at bank and in hand		420,864		261,021	
		2,391,703		1,757,022	
Current liabilities					
Trade and other payables	17	208,821		213,920	
Net current assets			2,182,882		1,543,102
Total assets less current liabilities			2,631,175		2,002,874
Net assets			2,631,175		2,002,874
Equity					
Share capital	23		15,323		11,407
Share premium account	23		13,195,190		11,699,106
Share based payment reserve	24		33,679		-
Retained earnings			(10,613,017)		(9,707,639)
Total equity			**2,631,175**		**2,002,874**

The Company's loss after taxation for the year was £905,378 (2018 period loss: £1,041,520).

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019... and are signed on its behalf by:

....
Mr R Marlow
Director
Company Registration No. 06475379

Abingdon Health Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019

	Share Capital £	Share premium account £	Share based payment reserve £	Retained earnings £	Total equity attributable to owners of the parent £
Balance at 1 January 2017	7,005	10,171,934	99,974	(10,394,570)	(115,661)
Period ended 30 June 2018:					
Profit and loss	-	-	-	3,525,579	3,525,579
Total comprehensive income for the year	-	-	-	3,525,579	3,525,579
Issue of share capital	1,549	537,395	-	-	538,944
Share option unwinding	-	-	925,475	-	925,475
Debt-to-equity conversion - share issue	2,853	989,777	-	-	992,630
Debt-to-equity conversion - transfer from share based payment reserve	-	-	(1,025,449)	1,025,449	-
Balance at 30 June 2018	11,407	11,699,106	-	(5,843,542)	5,866,971
Year ended 30 June 2019:					
Profit and loss	-	-	-	(1,240,937)	(1,240,937)
Total comprehensive income for the year	-	-	-	(1,240,937)	(1,240,937)
Issue of share capital	3,916	1,496,084	-	-	1,500,000
Share based payments	-	-	33,679	-	33,679
Balance at 30 June 2019	15,323	13,195,190	33,679	(7,084,479)	6,159,713

Abingdon Health Limited

Company Statement of Changes in Equity
For the Year Ended 30 June 2019

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Retained earnings £	Total equity attributable to owners of the parent £
Balance at 1 January 2017		7,005	10,171,934	99,974	(9,691,568)	587,345
Period ended 30 June 2018:						
Profit and loss		-	-	-	(1,041,520)	(1,041,520)
Total comprehensive income for the period		-	-	-	(1,041,520)	(1,041,520)
Issue of share capital		1,549	537,395	-	-	538,944
Share option unwinding		-	-	925,475	-	925,475
Debt-to-equity conversion - share issue		2,853	989,777	-	-	992,630
Debt-to-equity conversion - transfer from share based payment reserve		-	-	(1,025,449)	1,025,449	-
Balance at 30 June 2018		11,407	11,699,106	-	(9,707,639)	2,002,874
Year ended 30 June 2019:						
Profit and loss		-	-	-	(905,379)	(905,379)
Total comprehensive income for the year		-	-	-	(905,379)	(905,379)
Issue of share capital		3,916	1,496,084	-	-	1,500,000
Share based payments		-	-	33,679	-	33,679
Balance at 30 June 2019		15,323	13,195,190	33,679	(10,613,018)	2,631,174

Abingdon Health Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Cash flows from operating activities:			
(Loss)/ profit for the year/period		(1,240,937)	3,525,579
Adjustments for:			
Finance (income)/ costs		(2,772)	4,338,967
Loan notes extinguished	5	-	(12,013,941)
Tax credit		(205,740)	(462,168)
Amortisation and impairment of intangible	12	139,144	341,526
assets		33,679	925,475
Share based payment	13	47,550	188,714
Depreciation of property, plant and equipment			
(Profit)/ loss on disposal of property, plant and equipment	13	(13,500)	963
Impairment of fixed asset investments	14	-	167,043
Changes in working capital:			
Increase in inventories	15	(17,248)	(133,095)
(Increase)/ decrease in trade and other receivables	16	(501,376)	401,707
Increase/ (decrease) in trade and other payables	17	200,029	(388,082)
Cash used by operations		(1,561,171)	(3,107,312)
Interest paid	9	(704)	(1,503)
Income taxes received		534,779	466,885
Net cash outflow from operating activities		(1,027,096)	(2,641,930)
Interest received	8	3,476	8,677
Purchase of intangible assets	12	(57,336)	(280,331)
Purchase of property, plant and equipment	13	(38,881)	(78,354)
Proceeds on disposal of property, plant and equipment		13,500	1,021
Investment in associate	14	-	(304)
Net cash used in investing activities		(79,241)	(349,291)

Abingdon Health Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Financing activities			
Proceeds from issue of own shares		1,500,000	538,944
Repayment of bank loans and borrowings	**18**	-	(210,000)
Payment of finance leases obligations	**19**	(4,420)	(5,107)
Proceeds from issue of loan notes and new finance lease		-	1,110,000
Net cash generated from financing		1,495,580	1,433,837
Net increase / (decrease) in cash and cash equivalents		389,243	(1,557,384)
Cash and cash equivalents at beginning of the year/period		476,909	2,034,293
Cash and cash equivalents at end of the year/period		866,152	476,909

1. Accounting policies

Company information
Abingdon Health Ltd ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is National Agri Food Innovation Campus, Sand Hutton, York, YO41 1LZ. The consolidated financial information (or "financial statements") incorporate the financial information of the Company and entities (its subsidiaries) controlled by the Company (collectively comprising the "Group").

The principal activity of the Group is to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

1.1 Accounting convention
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the requirements of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:
(a) the requirements of IFRS 7 Financial Instruments: Disclosure, on the grounds that equivalent disclosures for financial instruments are presented in the group accounts of Abingdon Health Ltd;
(b) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows;
(c) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions and balances between two or more members of a group;
(d) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(q)(ii), B66 and B67 of IFRS Business Combinations, for which equivalent disclosures are included in the group accounts of Abingdon Health Ltd;
(e) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
(iii) paragraph 118(e) of IAS 38 Intangible Assets.
(f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements; and
(g) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The financial statements are prepared in pounds sterling, which is the functional currency of the parent Company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the year was £905,378 (2018 loss: £1,041,520).

1.2 Reporting period
These financial statements cover a period of 12 months, whilst the comparative financial information covers a period of 18 months. This is due to the amended period end providing improved management capacity for managing the financial reporting process.

1. Accounting policies (continued)

1.3 Basis of consolidation

The Group financial information consolidates those of the Company and the subsidiaries that the Company has control of. Control is established when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where a subsidiary undertaking is acquired/disposed of during the year, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal.

All inter-company balances and transactions between group companies have been eliminated on consolidation.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

The Group applies the acquisition method of accounting for business combinations enacted after the date of creation of the Group following incorporation of Abingdon Health Ltd, as detailed further below. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial information prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Entities other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence, are treated as associates. In the consolidated financial statements, associates are accounted for using the equity method.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

1. Accounting policies (continued)

1.4 Going concern

The Directors have concluded that it is necessary to draw attention to the revenue and cost forecasts in the business plans. In order for the Group and Company to continue as a going concern, there is a requirement to achieve a certain level of sales. Given the Company is in the early stages of developing certain products and transferring those to volume contract manufacturing arrangements, the forecast level of sales in the next 12 months is subject to inherent uncertainty.

If an adequate sales level cannot be achieved to support the Group and Company, the Directors have the options to reduce on-going spend or seek additional funding from shareholders or providers of working capital facilities. While the Board is confident that it will achieve the required revenue and has a successful track record in both cutting costs and raising funds, there remains uncertainty as to the level of sales that will be achieved, the amount of cost reduction that may be required and the amount of funding that could be raised from shareholders or external investors. This combination of factors represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

However, based on the relative likelihood of achieving versus not achieving, the Board believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

1.5 Revenue

The Group has applied IFRS 15 'Revenue from contracts with customers' for the first time in the current reporting year. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied. Under the previous standard (IAS 18) the Group recognised revenue when the risks and rewards of the goods and services were transferred to the customer.

The Group has reviewed its contracts with customers and the performance obligations within those contracts and has concluded that no change is required to previously reported revenue. However, the Group has revised its accounting policies compared to those disclosed in the prior year Financial Statements to reflect the differences between IFRS 15 and IAS 18. The policies below reflect these revisions.

Long term contracts

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Revenue is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or assets. Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure if incurred. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Other

Deferred income arises where services are invoiced in advance of performance. The amount is released to the profit or loss in subsequent periods in reference to the stage of completion of the transaction at the reporting date.

1. Accounting policies (continued)

Where the Group identifies rights to the economic benefits of other sources of income through fulfilment of certain performance criteria, the income is recognised in the relevant accounting period when those conditions are fulfilled, net of VAT.

1.6 Inventory
Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Intangible fixed assets - goodwill
Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable and separately recognised. See note 12 for information on how goodwill is initially determined. After initial recognition, goodwill is measured at cost less accumulated impairment losses. See note 12 for a description of impairment testing procedures.

1.8 Intangible fixed assets other than goodwill
Intangible assets are initially measured at cost. Where intangible assets are acquired as part of a business combination, cost is determined by reference to a fair value estimation technique as disclosed further in note 2. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for intangible assets with a finite useful life is reviewed each financial period-end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. Useful lives are typically amortised on the following basis:

Patents and Trademarks	10% straight line
Website Costs	20%-25% straight line
Development Costs	10% straight line

Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1. Accounting policies (continued)

1.9 Property, plant and equipment

Property, plant and equipment are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	20%-33% straight line
Office equipment	33% straight line
Leasehold improvements	Life of the lease

The residual value and the useful life of an asset are reviewed at least at each financial period-end and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in profit or loss.

1.10 Non-current investments

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of non-current assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

1. Accounting policies (continued)

1.11 Impairment of non-current assets (continued)

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

1.12 Financial instruments

Financial assets
Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

All financial assets excluding investments are classified as loans and receivables; these comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial assets held for trading
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognised in finance revenue or finance expense in the Statement of Comprehensive Income.

1. Accounting policies (continued)

1.12 Financial instruments (continued)

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities include borrowings and trade and other payables.

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with the effective interest recognised as an expense in finance costs.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments
Share capital represents the nominal value of shares that have been issued.

Share premium represents the excess consideration received over share capital upon the sale of shares, less any incidental costs of issue.

Retained earnings include all current and prior period retained profits.

The non-controlling interest represents the portion of equity ownership in subsidiaries which is not attributable to the owners of the Company.

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1. Accounting policies (continued)

1.13 Equity instruments (continued)
The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 24.

1.14 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax
Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

1.15 Provisions
Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.16 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

1. Accounting policies (continued)

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 24.

1.18 Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability.

This liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.19 Standards, amendments and interpretations in issue and adopted for the first time

The current standards, amendments and interpretations have been adopted in the period and have not had a material impact on the Group and Company's financial statements:

- Amendments to IAS 40 'Investment Property' for transfers of investment property
- IFRS 15 'Revenue from Contracts with Customers', including clarifications made to the standard since initial release
- IFRS 9 'Financial Instruments'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Amendments to IFRS 2 'Share-based Payment' for classification and measurement of share-based payment transactions
- Amendments to IFRS 4 'Insurance Contracts' around interaction with IFRS 9

The disclosure requirements of the group have been revised to comply with the updated requirements of IFRS 9 'Financial Instruments' but the group has not otherwise adjusted the carrying value of its assets or liabilities at either reporting date.

1. Accounting policies (continued)

1.20 Standards, amendments and interpretations in issue but not yet effective
At the authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet and in some cases have not been adopted by the EU:

	EU effective date – period beginning on or after
IFRS 16 'Leases'	1 January 2019
Annual improvements to IFRS's (2015 – 2017)	1 January 2019 *
IFRS 17 'Insurance Contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts'	1 January 2021 *
Amendments to IFRS 9 'Financial Instruments' for prepayment features with negative compensation	1 January 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' for long term interests in associates and joint ventures	1 January 2019
Amendments to IAS 19 'Employee benefits' for plan amendments, curtailments and settlements	1 January 2019
Amendments to IFRS 3 'Business combinations' for previously held interests in a joint operation	1 January 2019
Amendments to IFRS 11 'Joint arrangements' for previously held interests in a joint operation	1 January 2019
Amendments to IAS 12 'Income taxes' for the income tax consequences of payments on financial instruments classified as equity	1 January 2019
Amendments to IAS 23 'Borrowing costs' around borrowing costs eligible for capitalisation	1 January 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	1 January 2019
Amendments to IFRS 3 'Business combinations' around the definition of a business	1 January 2020
Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' for the definition of material	1 January 2020
The Conceptual Framework for Financial Reporting	1 January 2020
IFRS 17 'Insurance Contracts'	1 January 2021

* These standards, amendments and interpretations have not yet been endorsed by the EU and the dates shown are the expected dates.

The directors have reviewed the impact of IFRS 16 'Leases' and expect this to have a material impact on the financial statements. As at the current period end, it is expected that the implementation of IFRS 16 will create right of use assets with carrying value £374,239 and associated lease liabilities of £404,513, with current period reported profits being increased by £10,682 for adjustments in respect of derecognising operating lease rentals, and recognising depreciation on right of use assets and finance costs on the lease.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Going concern
The accounts are prepared on the going concern basis, despite significant level of retained losses. Further explanation of this judgement is provided in note 1.4.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Weighted Average Cost of Capital
Where discounting is required by accounting standards, it is necessary to make estimates in respect of matters including the Company's cost of equity and debt. The estimates are updated when the inputs are deemed to have changed.

Valuation of intangible assets (Group 2019: £779,512; 2018: £861,321)
Management judgement is required to estimate the useful lives of intangible assets, having reference to future economic benefits expected to be derived from use of the asset. Economic benefits are based on the fair values of estimated future cash flows. See Note 12.

Impairment of goodwill (Group 2019: £3,742,411; 2018: £3,742,411)
Goodwill is tested annually for impairment. The test considers future cash flow projections of cash-generating units that give rise to the goodwill. Where the discounted cash flows are less than the carrying value of goodwill, an impairment charge is recognised for the difference. Further analysis of the estimates and judgements is disclosed in Note 12.

Deferred tax assets (Group 2019: £nil; 2018: £nil)
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies and having regard to their strategic planning processes when making these judgements. Further details are contained in Note 21.

Share based payments
The determination of the fair values of EMI options has been made by reference to the Black-Scholes model with the inputs set out in Note 24.

3. Revenue

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors.

The Group has operating segments:

- Clinical Sales: this comprises of the sale of Seralite products for monitoring multiple myeloma.
- Contract Services: this comprises contract development and manufacturing activities.
- Product Sales: this comprises the sale of Pocket Diagnostic products, PCRD tests and antibodies for research use.
- Other Income: being revenue for ad hoc services including revenues from grants.

Due to the specific nature of the Group's market, each component of revenue naturally falls within one of these segments. The operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. All assets, liabilities and revenues are located in, or derived in, the United Kingdom.

Margins, overheads and balance sheet items are not broken down into the operating segments but are reviewed on a consolidated basis.

During the year the Group had 4 (2018 - 2) customers with turnover comprising between 10% and 20% of Group revenue. In each case a contract is in place for the services provided. Whilst all the key customers have been important in enabling the Company to generate revenue growth in key areas and future expected growth, none of them have been considered as critical factors in the directors' assessment of going concern.

Segmental analysis of revenue

	Year ended 2019 £	18 months ended 2018 £
Clinical sales	376,300	234,007
Contract services	1,539,446	1,654,696
Product sales	191,676	344,766
Other income	169,871	34,977
	2,277,293	2,268,446

Revenue analysed by geographical market

	Year ended 2019 £	18 months ended 2018 £
United Kingdom	1,381,455	1,232,245
Europe	739,575	857,754
Rest of World	156,263	178,447
	2,277,293	2,268,446

Notes to the Financial Statements
For the Year Ended 30 June 2019

4. Operating costs

	Year ended 2019 £	18 months ended 2018 £
Operating loss for the period is stated after charging/(crediting):		
Grant income	(168,371)	(14,099)
Depreciation of owned property, plant and equipment	47,550	173,525
Depreciation of property, plant and equipment held under finance leases	-	15,200
Cost of inventories recognised as an expense	655,289	541,605
Impairment of inventories	10,129	6,617
Research costs expensed	210,731	285,043
Amortisation and impairment of intangible assets	139,144	341,526
Operating lease charges (rent)	308,848	499,524

5. Other Gains and Losses

	Year ended 2019 £	18 months ended 2018 £
Loan notes extinguished	-	12,013,941

The prior year gains reported in the Statement of Comprehensive Income have been calculated in accordance with IFRIC 19, which permits the difference between the fair value of the equity issued and the fair value of liabilities extinguished to be recognised as a gain within the Income Statement. The liabilities extinguished represented loan notes with interest on the face value of the loan, and a 75% redemption premium, previously accounted for using the amortised cost method, which were exchanged for a new issue of share capital with associated premium, with the premium determined through a fair value calculation of the company determined after adjustment for elimination of the loan. The reclassification consists of a change in measurement basis from amortised cost accounting to fair value as at transfer date. The company has not retained any liability to the loan note holders following the conversion of the loan notes.

The present value of the loan notes as at 31 December 2016 was £7,553,537 and new loan notes were issued in October 2017 amounting to £1,110,000. Interest on these balances have been unwound at a rate of 37.75% , being the internal rate of return taking into account the 75% redemption premium attached to the notes. Interest has therefore been calculated up until the point in which the notes were converted, being 11 May 2018, amounting to £4,343,034, with this interest being recognised as a finance expense in note 9. The difference between the present value of the loan notes as at this date and the fair value of equity converted, being £13,006,571 and £992,630 respectively, results in a gain realised of £12,013,941 which is presented within the Consolidated Statement of Comprehensive Income.

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

6. Auditor's remuneration

	Year ended 2019 £	18 months ended 2018 £
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	19,750	20,500
For non-audit services		
Tax advice for the Group	11,750	29,750

7. Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	Year ended 2019 Number	18 months ended 2018 Number
Production	13	12
Research	14	20
Management and administration	17	18
	44	50

On a full-time equivalent basis, there were 39 (2018 - 47) employees during the year.

Their aggregate remuneration comprised:

	Year ended 2019 £	18 months ended 2018 £
Wages and salaries	1,930,278	3,461,063
Social security costs	200,497	359,261
Pension costs	89,633	145,145
Share based payment expense	33,679	925,475
	2,254,087	4,890,944

Details of Directors' remuneration are provided in note 27.

The total cost of employee remuneration includes £57,336 (2018 - £272,388) of costs which have been on development projects, and which have accordingly been capitalised as an intangible asset, shown further in note 12.

Notes to the Financial Statements
For the Year Ended 30 June 2019

8. Finance income

	Year ended 2019 £	18 months ended 2018 £
Interest income		
Bank interest receivable	3,476	8,677
	3,476	8,677

9. Finance costs

	Year ended 2019 £	18 months ended 2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loan notes	-	4,346,141
Interest on finance leases	704	1,503
	704	4,347,644

10. Taxation

	Year ended 2019 £	18 months ended 2018 £
Current tax		
UK Corporation tax on profits for the current period	205,740	474,712
Adjustments in respect of prior periods	-	-
Total current tax	205,740	474,712
Deferred tax		
Origination and reversal of temporary differences	-	(12,544)
Total deferred tax	-	(12,544)
Total tax credit	205,740	462,168

10. Taxation (continued)

The charge for the period can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	Year ended 2019	18 months ended 2018
	£	£
(Loss)/profit before taxation	(1,446,677)	3,063,411
Expected tax (credit)/charge based on a corporation tax rate of 19%	(274,867)	587,098
Tax effect of expenses that are not deductible in determining taxable profit	269,876	(599,642)
Tax effect of utilisation of tax losses not previously recognised	-	-
Research and development tax credits	210,731	474,712
Total tax credit	205,740	462,168

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted in October 2015. Further reduction to 17% (effective from 1 April 2020) was substantively enacted in September 2016. These rates have therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2018: 18%), except for on share options which are expected to be exercised before 1 April 2020 and as such are measured at 19%.

11. Dividends

No dividends were paid in the current or prior period.

12. Goodwill and other intangible assets

Group	Goodwill £	Patents and trademarks £	Website £	Development costs £	Total £
Cost					
At 1 July 2018	3,742,411	32,141	83,191	1,359,889	5,217,632
Additions	-	-	-	57,336	57,336
Disposals	-	-	-	-	-
As 30 June 2019	3,742,411	32,141	83,191	1,417,225	5,274,968
Amortisation and impairment					
At 1 July 2018	-	21,103	69,778	523,020	613,901
Amortisation charged for the year	-	1,310	12,738	125,096	139,144
Disposals	-	-	-	-	-
At 30 June 2019	-	22,413	82,516	648,116	753,045
Carrying amount					
At 30 June 2019	3,742,411	9,728	675	769,109	4,521,923
At 1 July 2018	3,742,411	11,038	13,413	836,870	4,603,730

The Group tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is assessed for impairment by comparing the carrying values with the value-in-use calculation, which is determined by calculating the net present value (NPV) of future cash flows arising from the original acquired business.

The carrying amount of goodwill is indicated in the table above. The net book value of goodwill above for Forsite Diagnostics Limited amounts to £763,143 (2018: £763,143), for Serascience Limited amounts to £2,979,268 (2018: £2,979,268) and Molecular Vision Limited £nil (2018: £nil). Due to the nature of the operations the recoverable amount of Forsite Diagnostics and Serascience has been considered to make up one cash generating unit, this recoverable amount has been determined based on a value in use calculation using cash flow projections based on the actual results for the year ended 30 June 2019 and the financial forecasts prepared by the Board covering the period to 30 June 2022, with projected cash flows through to June 2022 based on the growth rates forecast by management based on the maturity of the respective divisions. A growth rate of 3% has been used. A pre-tax discount rate of 11.0% has been used.

A 32.5% reduction in revenue growth rates over the next 3 years combined with a 20% reduction in terminal growth rate and a 1.5% increase in pre-tax discount rate would reduce the headroom in the base case impairment model to zero. A failure to achieve the expected revenue growth could therefore make an impairment to goodwill reasonably possible.

Notes to the Financial Statements
For the Year Ended 30 June 2019

12. Goodwill and other intangible assets (continued)

As a result of this review, there has been no impairment to the carrying value of goodwill or intangibles.

The carrying amounts of goodwill have been assigned to the following cash-generating units:

	Group 30 June 2019	30 June 2018
Clinical and contract services	3,742,411	3,742,411
	3,742,411	3,742,411

Company

	Website £	Lease costs £	Total £
Cost			
At 1 July 2018	78,923	9,169	88,092
Additions – separately acquired	-	-	-
Disposals	-	-	-
As 30 June 2019	78,923	9,169	88,092
Amortisation and impairment			
At 1 July 2018	65,510	1,965	67,475
Amortisation charged for the period	12,738	1,310	14,048
Disposals			
At 30 June 2019	78,248	3,275	81,523
Carrying amount			
At 30 June 2019	675	5,894	6,569
At 30 June 2018	13,413	7,204	20,617

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

13. Property, plant and equipment

Group	Improvements to leasehold property £	Plant and machinery £	Office equipment £	Total £
Cost				
At 1 July 2018	30,331	1,116,116	110,974	1,257,421
Additions	-	24,655	14,226	38,881
Disposals	-	(49,073)	-	(49,073)
At 30 June 2019	30,331	1,091,698	125,200	1,247,229
Depreciation and impairment				
At 1 July 2018	21,375	1,023,036	97,990	1,142,401
Depreciation charged in the period	3,583	34,471	9,496	47,550
Eliminated in respect of disposals	-	(49,073)	-	(49,073)
At 30 June 2019	24,958	1,008,434	107,486	1,140,878
Carrying amount				
At 30 June 2019	5,373	83,264	17,714	106,351
At 30 June 2018	8,956	93,087	12,983	115,026

The net carrying value of property, plant and equipment includes the following in respect of assets held under finance leases or hire purchase contracts, which are secured by the lessors' title to the assets. The depreciation charge in respect of such assets amounted to £nil (2018 - £19,000) for the period. These assets were fully depreciated at the end of 2018.

Company

	Improvements to leasehold property £	Office equipment £	Total £
Cost			
At 1 July 2018	14,330	62,512	76,842
Additions	-	14,226	14,226
Disposals	-	-	-
At 30 June 2019	14,330	76,738	91,068
Depreciation and impairment			
At 1 July 2018	5,374	50,951	56,325
Depreciation charged in the period	3,583	8,074	11,657
Disposals	-	-	-
At 30 June 2019	8,957	59,025	67,982
Carrying amount			
At 30 June 2019	5,373	17,713	23,086
At 30 June 2018	8,956	11,561	20,517

Notes to the Financial Statements
For the Year Ended 30 June 2019

14. Investments

Group

	2019	2018
	£	£
Investments in associates	-	-
	-	-

Company

	2019	2018
	£	£
Investments in subsidiaries	418,638	418,638
Investments in associates	-	-
	418,638	418,638

Movements in investment - Company	**Associates**
	£
Share of net assets	
At 1 July 2018	167,043
Additions	-
Disposals	-
At 30 June 2019	167,043
Impairment	
At 1 July 2018	167,043
Impairment during the year	-
At 30 June 2019	167,043
Carrying amount	
At 30 June 2019	-
At 30 June 2018	-

As at 31 December 2016 and 30 June 2018 the company held 35% of the shares of Linear Diagnostics Limited ("LDL"), its associate. LDL is an early stage diagnostic technology company. As a result of uncertainty about the commercial potential of LDL's technology, the company has written down the value of its investment (£167,043) and loans (£176,197) to LDL to £nil. LDL completed a fundraising post-year end and all loans were converted to equity as part of this fundraising. Post-fundraising, Abingdon Health held 18% of the shares of LDL.

The company has unrecognised losses for the year of £81,520 (2018: £30,795) and cumulative unrecognised losses of £103,938 (2018: £22,418).

Details of subsidiaries are included in Note 29.

Notes to the Financial Statements
For the Year Ended 30 June 2019

14. Investments (continued)

Summarised Financial Information – Linear Diagnostics Limited

	2019	2018
	£	£
Non-current assets	315,083	1,036
Current assets	26,584	102,450
Current liabilities	(99,458)	(23,193)
Non-current liabilities	(924,584)	(763,360)
Net Liabilities	(682,375)	(688,067)
Revenue	31,853	71,253
Loss after tax	(232,916)	(338,191)

Movements in investments Company	Equity investments in subsidiaries	Investments in associates	Total
	£	£	£
Cost or valuation			
At 1 July 2018	6,238,741	167,043	6,405,784
Additions	-	-	-
Disposals	-	-	-
At 30 June 2019	6,238,741	167,043	6,405,784
Impairment			
At 1 July 2018	5,820,103	167,043	5,987,146
Provision for impairment	-	-	-
Disposals	-	-	-
At 30 June 2019	5,820,103	167,043	5,987,146
Carrying amount			
At 30 June 2019	418,638	-	418,638
At 30 June 2018	418,638	-	418,638

Abingdon Health Limited

Notes to the Financial Statements
For the Year Ended 30 June 2019

15. Inventories

Group	2019 £	2018 £
Raw materials	338,154	248,518
Work in progress	32,968	53,782
Finished goods	35,292	86,866
	406,414	389,166

Company	2019 £	2018 £
Inventories	-	-

16. Trade and other receivables

Group **Amounts falling due within one year:**	2019 £	2018 £
Trade receivables	422,518	96,006
Other receivables and prepayments	584,178	738,346
	1,006,696	834,352

Trade receivables at the reporting date are shown above net of provisions. Expected credit losses for the following 12 months have been estimated in accordance with IFRS 9, taking into account that there has been no significant increase in credit risk. Given the straightforward nature of the group's receivables, the directors consider that the group qualifies for Stage 1 impairment models which permit the simplified recognition of credit losses arising from default events that are possible within the next 12 months only.

Trade receivables are stated net of impairment for estimated irrecoverable amounts of £26,238 (2018: £26,238). This impairment has been determined by reference to past default experience and known issues. Write offs are made when the irrecoverable amount becomes certain. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Included within prepayments and accrued income is an amount of £42,363 (2018 - £nil) relating to contract assets, calculated in accordance with IFRS 15.

Movement on the allowance for irrecoverable amounts on trade receivables are as follows:

	2019 £	2018 £
Beginning of the period	26,238	26,238
Provision for bad receivables	8,400	28,010
Released during the period	(8,400)	(28,010)
End of the year/period	26,238	26,238

Notes to the Financial Statements
For the Year Ended 30 June 2019

16. Trade and other receivables (Continued)

An analysis of the trade debtors past due but not impaired is:

	2019	2018
	£	£
60 to 120 days	5,581	4,800
More than 120 days	76,856	51,605
Less provision	(26,238)	(26,238)
Total trade debtors past due but not impaired	56,199	30,167
Add:		
Less than 60 days	366,319	65,839
Net trade receivables	422,518	96,006

The Directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be good.

Company	**2019**	**2018**
Amounts falling due within one year:	**£**	**£**
Trade receivables	-	-
Other receivables and prepayments	229,968	21,737
Amounts due from subsidiaries	1,740,870	1,474,264
	1,970,838	1,496,001

17. Current trade and other payables

Group

	2019	2018
	£	£
Trade payables	431,106	215,652
Current tax liabilities	76,786	132,258
Other payables	230,004	190,677
	737,896	538,587

Other payables include £13,000 repayable to a former shareholder in instalments (2018: £13,000) Further information is provided in Note 18.

Included within accruals and deferred income is an amount of £75,094 (2018 - £nil) relating to deferred revenues, calculated in accordance with IFRS 15.

Company

	2019	2018
	£	£
Trade payables	131,178	63,306
Current tax liabilities	39,228	113,329
Other payables	38,415	37,285
	208,821	213,920

18. Borrowings

Group	2019 £	2018 £
Other payables	13,000	13,000
	13,000	13,000
Payable within one year	13,000	13,000
Payable between one and two years	-	-
Payable between two and five years	-	-
	13,000	13,000

Other payables are an amount repayable to a former shareholder in instalments. No interest is charged on this balance. The outstanding balance at 30 June 2019 is £13,000 (2018 - £13,000).

19. Obligations under finance leases

Future minimum lease payments due under finance leases:

Group	2019 £	2018 £
Within one year	3,939	4,405
In two to five years	5,988	10,645
	9,927	15,050
Less: future finance charges	(720)	(1,421)
	9,207	13,629

Finance lease and hire purchase borrowings are secured against the assets to which they relate.

20. Financial instruments

Market and liquidity risks
Liquidity risk is the risk that the company fails to have sufficient funds to meet its debts as they become due. The Group holds funds in short-term bank deposits so that they are available when required. The liquidity risk of the Group is managed centrally. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which regularly monitors the Group's short-medium and long-term funding, and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash and cash equivalents and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk
During the period, the Group's credit risk was primarily attributable to its cash balances, other loans receivable, and its trade receivables. Credit risk, is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings. The risk to the Group of trade receivables going bad is deemed relatively low due to the size and stature of the customers the company now trades with. There were no allowances for debt recovery as at the current or previous period end.

Notes to the Financial Statements
For the Year Ended 30 June 2019

20. Financial Instruments (Continued)

Capital management
As described in Note 23 the Group considers its capital to comprise its ordinary share capital, share premium, share based payment reserve, and accumulated deficit as its capital reserves. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to commercialise the development which has been undertaken to date, through major sales in a number of markets.

There have been no significant changes to the Group's capital management objectives, policies and processes in the period nor has there been any change in what the Group considers to be its capital.

Exchange rate and interest rate risk
All of the Group's borrowings are at fixed interest rates. The Group is therefore not exposed to the impact of changes in interest rates in the medium term. The level of debt is reviewed regularly by the Board.

The majority of purchases are denominated in Sterling. The Group is therefore not materially exposed to the impact of changes in exchange rates.

Group	**2019**	**2018**
Carrying amount of financial assets		
Measured at fair value	1,643,055	1,128,284
Debt instruments measured at amortised cost	-	-
	1,643,055	1,128,284
Carrying amount of financial liabilities		
Measured at fair value	671,035	419,956
Measured at amortised cost	-	-
	671,035	419,952

The undiscounted contractual maturity analysis for Group financial instruments is shown below. The maturity analysis reflects the contractual undiscounted cashflows, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date.

Financial liabilities	**Demand and less than 3 months**	**From 3 to 12 months**	**From 12 months to 2 years**	**From 2 to 5 years**	**Total**
Trade and other payables	406,329	-	-	-	406,329
Loan notes	-	-	-	-	-
Finance leases	903	2,798	3,939	5,989	13,629
At 30 June 2018	407,232	2,798	3,939	5,989	419,958
Trade and other payables	661,108	-	-	-	661,108
Loan notes	-	-	-	-	-
Finance leases	903	2,798	238	5,988	9,927
At 30 June 2019	662,011	2,798	238	5,988	671,035

21. Deferred tax

As at the year-end there are no deferred tax balances in the group or company (2018 - £nil).

Movements by category of deferred tax are as follows:

	Liability/(asset) at 1 January 2017	Charge to profit or loss	Liability/(asset) at 30 June 2018
Convertible loan notes	16,810	(16,810)	-
Share options	(33,487)	33,487	-
Discounting external loans	4,133	(4,133)	-
Net deferred tax movement	(12,544)	12,544	-

Company
A deferred tax asset amounting to £1,315,341 (2018: £628,487), in respect of trading losses carried forward of £7,737,299 (2018: £3,491,592), has not been recognised due to uncertainty over future profits.

Group
A deferred tax asset amounting to £2,651,153 (2018: £1,989,103), in respect of trading losses carried forward of £15,595,016 (2018: £11,050,573), has not been recognised due to uncertainty over future profits.

22. Retirement benefit schemes

	2019 £	2018 £
Charge to profit and loss in respect of defined contribution schemes	89,633	145,145

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At the period end there is a pension creditor of £12,784 (2018 - £16,501).

23. Share capital

	2019	2018
Ordinary share capital		
Authorised, allotted and fully paid	**Number**	**Number**
Ordinary shares of 0.1p each	11,406,826	11,406,826
A Ordinary shares of 0.1p each	3,916,450	-
	15,323,276	11,406,826
	£	**£**
Ordinary shares of 0.1p each	11,407	11,407
Ordinary 'A' shares of 0.1p each	3,916	-
	15,323	11,407

On 18 January 2019 3,916,450 ordinary 'A' shares were issued for consideration of £1,500,000.

Both classes of shares carry one vote per share and rank pari-passu in respect of dividend. On a return of assets on liquidation or otherwise (except on a redemption of shares of any class or the purchase by the company of its own shares) the assets of the company remaining after the payment of its liabilities shall be distributed amongst shareholders as follows: firstly an amount equal to the subscription price of the A Ordinary shares shall be paid to the holders of the A Ordinary shares; the remaining amount of the surplus (if any) shall be paid to shareholders (as if all shares constituted a single class) in proportion to the number of such shares held by them.

Reconciliation of movements during the period:

	Ordinary Number
At 1 July 2018	11,406,826
Issue of fully paid shares	3,916,450
At 30 June 2019	15,323,276

No share options became exercisable during the period (2018: nil).

Reserves of the company represent the following:

Share Capital – Shares in the company held by shareholders at a proportional level with equal voting rights per share.
Share Premium – Excess over share capital of any investments.
Retained earnings – This comprises the accumulated trading results of the group.
Share-based payment reserve - This reserve comprises the fair value of options share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

24. Share options

Group & Company	Number of share options		Weighted average exercise price	
	30 June 2019 Number	30 June 2018 Number	30 June 2019 £	30 June 2018 £
Outstanding at 1 July 2018	-	1,100,427	-	0.94
Granted	344,928	-	0.001	-
Exercised	-	-	-	-
Cancelled	(57,488)	(937,638)	-	(1.02)
Forfeited	-	(162,789)	0.001	(0.48)
Outstanding at 30 June 2019	287,440	-	0.001	-
Exercisable at 30 June 2019	287,440	-	-	-

No options were exercised during the year.

The options outstanding at 30 June 2019 had an exercise price of £0.001 and a remaining contractual life ranging between July 2019 and July 2029.

The options exist at 30 June 2019 across the following share option schemes:

	Number of shares	Exercise price per share (£)	Fair value of scheme	Vesting period
Options issued in July 2018	287,440	0.001	99,720	2.75 years
	287,440		99,720	

The fair value of the scheme is being expensed over the vesting period. All share options expire 10 years after the date of issue.

	Group		Company	
	30 June 2019 £	30 June 2018 £	30 June 2019 £	30 June 2018 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	33,679	925,475	33,679	925,475

25. Guarantees and contingent liabilities

At 30 June 2019, the Group and Company had no contingent liabilities (2018 - none). The borrowings disclosed in Note 18 were secured over the assets of the Group including the Company. The amounts payable to a former shareholder (2019: £13,000; 2018: £13,000) disclosed in notes 17 and 18 are guaranteed by the Company.

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26. Operating lease commitments

Lessee
Operating leases relating to land and buildings are on normal commercial terms with no rent-free periods or other incentives, and include requirements to restore sites at the end of the agreements for which amounts have been provided for. Other agreements relate to motor vehicles on terms of one to three years, with no lease incentives.

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 30 June 2019 £	30 June 2018 £
Land and buildings		
Within one year	269,020	255,378
Between two and five years	961,137	1,045,350
In over five years	-	139,217
	1,230,157	1,439,945

27. Directors' remuneration and transactions

	30 June 2019 £	30 June 2018 £
Remuneration for qualifying services	378,542	738,637
Company pension contributions to defined contribution schemes	15,440	26,200
	393,982	764,837

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

28. Related party transaction

Remuneration of key management personnel
The key management personnel are considered to be the Board of Directors and members. Refer to note 27 for details of key management personnel remuneration.

29. Subsidiaries

Details of the Company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
Forsite Diagnostics Limited (UK)	Manufacturing of diagnostic devices	Ordinary shares	100%
Molecular Vision Limited (UK)	Consultancy and R&D into a diagnostics technology platform	A1 Preference shares	100%
Serascience Limited (UK)	Development and sales of medical diagnostic devices	Ordinary shares	100%
Associate			
Linear Diagnostics Limited (UK)	R&D into a diagnostics technology platform	Ordinary shares	35%

All investments are directly held by the company.

Forsite Diagnostics Limited and Molecular Vision Limited have the same registered address as noted on the company information page in these financial statements.

The registered office of Serascience Limited is Newstead House, Pelham Road, Nottingham, NG5 1AP.

The investments in subsidiaries are all stated at cost less impairment in the financial statements.

30. Ultimate controlling party

In the opinion of the directors, no one party has ultimate control due to shareholding.