

BIOVENTIX PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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BIOVENTIX PLC

COMPANY INFORMATION

Directors	P Harrison I J Nicholson T Turner N J McCooke
Company secretary	Cargil Management Services Limited
Registered number	04923945
Registered office	27-28 Eastcastle Street London W1W 8DH
Independent auditors	James Cowper Kreston Chartered Accountants & Statutory Auditors Reading Bridge House George Street Reading Berkshire RG1 8LS

BIOVENTIX PLC

CONTENTS

	Page
Chairman and Chief Executive's statement	1 - 3
Strategic report	4 - 7
Directors' report	8 - 9
Independent auditors' report	10 - 14
Statement of comprehensive income	15
Statement of financial position	16
Statement of changes in equity	17 - 18
Statement of cash flows	19 - 20
Notes to the financial statements	21 - 36

BIOVENTIX PLC

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

The Chairman and the Chief Executive present their statement for the period.

Business review

We are pleased to report another set of excellent results for the financial year ended 30 June 2017. Most significantly, revenues for the year of £7.2 million (2015/16: £5.5 million) were ahead of expectations and up 31% on the previous year. This revenue increase, when coupled to a modest increase in costs has resulted in increased profits after tax of £4.9 million, 40% up on the 2015/16 figure of £3.5 million. Despite increased dividend distribution, cash balances during the year increased by £0.8 million to £6.2 million.

Currently, our most significant revenue stream comes from the vitamin D antibody called vitD3.5H10. This antibody is used by a number of small, medium and large diagnostic companies around the world for use in vitamin D deficiency testing. Sales of vitD3.5H10 increased by 24% to £2.75 million during the year. This surpassed our expectations based on customer feedback during the year. Our expectation was that, whilst test volumes are increasing globally, price pressure (i.e. \$/test prices achieved) would balance the increase in volume leading to a relatively flat total market in US Dollars. This feedback set our expectations for royalties received after 30 June 2017 (but relating to the reporting period). Actual royalties received were in excess of these expectations.

Our prudent belief is that the vitamin D market will plateau in the near future. Nevertheless, we anticipate a modest further increase in vitamin D antibody sales over the next year as a limited number of smaller customers bring new vitamin D products to the market.

We reported in May that our troponin (heart attack diagnostic) partner, Siemens Healthineers, released a new test outside the US market that helps facilitate a faster diagnosis of patients presenting with chest pain in an A&E setting. The rate at which this new test will be adopted by Siemens customers in hospitals in the EU, Asia and elsewhere outside the US is unfortunately not something of which we have detailed knowledge. Whilst it is clear that a quicker test will be of benefit to patients, clinicians and hospital budget holders, it is also clear that there is likely to be an education period during which clinicians become comfortable with a significant change in diagnostic practices that can result in non-MI (i.e. patients not having a heart attack) being released from A&E much earlier. We will develop a better understanding of this matter during 2018.

The revenues resulting from the success of the Siemens troponin project will be important in replacing approximately £1 million of NT-proBNP sales that will be lost from the 2017/18 accounts due to the termination of a specific technology license.

Many of the established "core" antibodies also enjoyed increased sales in the year. Quantitatively, these were:

- testosterone: approximately £600k(+12%);
- T3: approximately £500k(+33%);
- drug antibodies: approximately £500k(+50%);
- estradiol: approximately £300k(+30%);
- progesterone: approximately £200k(+51%).

This healthy increase in these core antibodies that are sold to a number of customers in many countries does not have a single explanation over and above the 5-10% increase in the global diagnostics industry that is reported by third party analysts. The drug-testing antibody portfolio also features a handful of antibodies to different drugs used by different customers for different applications (e.g. EtG for alcohol testing, THC for cannabis testing). The increase in sales within this group has been accompanied by a significant increase in physical antibody sales in milligrams.

Future developments

Our shipments of physical antibody to China continued to increase. Some sales are made directly but the majority are made through five appointed distributors. The emergence of new Chinese diagnostic companies continues at a high rate and is a reflection of the embryonic stage of development of this industry in China. Technical expertise at these customers is variable but we do now see many examples of customers who are

BIOVENTIX PLC

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

able to identify the benefit of our excellent antibodies if used correctly. We remain cautiously optimistic that these continued physical antibody sales will result in royalty streams into the future.

As mentioned above, the commercial development of the new troponin project at Siemens will have a significant influence on Bioventix sales next year and the years beyond. Whilst there are no antibodies in the future pipeline that are near troponin in potential value, modest contributions towards revenue growth are anticipated to come from androstenedione in the financial year 2018/19 and T4 (thyroxine) in the years following androstenedione.

Also in the future pipeline, we have four contract R&D projects where antibodies have already been created and despatched to contract partners for evaluation within their own R&D departments. These projects are in the fields of cancer, thyroid diagnostics, viral diagnostics and a certain vitamin/deficiency. They are all of modest potential value but if technically successful, capable of contributing towards revenues into the future.

On a longer term perspective, we continue to work with our partners in Norway on the secretoneurin (CardiNor & heart diagnostics) and amyloid projects (Pre-Diagnostics & dementia). We have made exciting antibodies to contribute towards the scientific development of these projects and we look forward to developing the science of these long term projects over the coming years. It is our intention to seek additional long term projects of this kind with early stage research groups where we believe there to be compatibility with our skills and objectives.

Our revenues continue to be dominated by US dollars and Euros. We have commented in recent reports on the effect of post-Brexit referendum exchange rates on our revenues in the absence of any hedging mechanisms. The last half-year to be subjected to pre-referendum exchange rates was 2H.2015 and so these effects have largely receded into the past and will not affect like for like comparisons going forward. We have no current plans to institute any hedging mechanisms and therefore any future changes in exchange rates, up or down will impact revenues accordingly.

Within the field of antibodies, technology changes relatively slowly as new antibody technologies are validated and used. Such technologies include rabbit monoclonal antibodies and novel "synthetic" antibodies. For example, we are aware that rabbit monoclonal antibody technology is established at some customers and this could have resulted in lost opportunities for our sheep monoclonal approach. However, we believe that having established our antibodies in customer products over the last ten years or so leaves our core business relatively secure due to the significant barriers to changing an antibody that works well in a diagnostic test.

The composition of the Bioventix team has remained stable over the year facilitating excellent performance and know how retention. This total head-count of 13 full-time equivalents is expected to remain largely unchanged as this adequately serves our manufacturing and research needs.

The continued outstanding performance of the Company in a globally competitive market for antibodies is very satisfying. Our sheep monoclonal antibody technology continually delivers high performance antibodies to our customers. However, the operation of the antibody technology is made possible by the efforts of our expert staff and we would like to thank them for their remarkable achievements over the last year.

Dividend policy

The healthy performance of the business during the year has resulted in increased cash balances (increased to £6.2 million from £5.4 million) despite increased dividend distribution during the year. Over previous years, the Board has followed a cautious dividend policy that embraces continuity and it is the general intention of the Board to continue with this policy into the future. For the current year, the Board is pleased to announce a second interim dividend of 31 pence per share which, when added to the first interim dividend of 20 pence per share makes a total of 51 pence per share for the current year.

Our current view is that a cash balance of approximately £5 million is sufficient to facilitate operational and strategic agility with respect to possible corporate or technological opportunities that could arise in the foreseeable future. On this occasion, we have decided to distribute some surplus cash that is in excess of anticipated needs and accordingly, we are pleased to announce a special dividend of 40 pence per share.

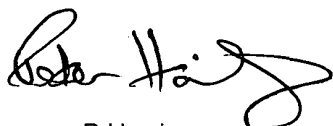
BIOVENTIX PLC

**CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

The shares will be marked ex dividend on 26 October 2017 and the dividend will be paid on 10 November 2017 to shareholders on the register at close of business on 27 October 2017.

Conclusion

We are delighted to be able to report such positive news for the current year. For the financial year 2017-18, our challenge will be to make up for the ~£1M of lost sales mentioned above with revenues from the newly launched Siemens troponin project and modest growth from additional vitamin D antibody sales and royalties. Beyond that, growth in the period 2018-2020 will be linked to our troponin project and the success of Siemens in their product launches around the world. We continue our research activities as we look to seed additional projects that will germinate in the period 2020-2030 creating additional shareholder value.



Name P Harrison
Chief Executive Officer



I J Nicholson
Non executive Chairman

Date 13 October 2017

BIOVENTIX PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017

BUSINESS REVIEW

Please refer to the full business review which is covered in the Chairman and Chief Executive's statement on pages 1 and 2.

PRINCIPAL RISKS AND UNCERTAINTIES

Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Company's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Dependence on key employees

The Company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the Company's business. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre, could have a significant adverse effect of the business of the Company.

Technology

For SMAs that are in the research and development phase at Bioventix's customers, there is a risk of technical failure. This can occur as assays fail to perform with the desired precision. Failure can also arise when external "field trials" at hospitals using prototype assays identify patient samples that give erroneous results.

For projects at the early phase of Bioventix's pipeline and others that may feature in the medium to long term, there is a risk that new antibody technologies available to third party companies eclipse Bioventix's SMA technology and these new technologies produce superior antibodies. An example of such technologies includes monoclonal antibodies from rabbits.

The Company may come to face competition from other businesses that possess skills and technologies that are not known or available at present. Such competition could prevent the Company from achieving sales. Further, competitors may develop products or technologies that make Bioventix's technology obsolete.

The Company may also face claims that its use of its technology infringes the intellectual property rights of others and may become involved in legal proceedings in connection with such claims. The Company may also generally face legal proceedings in the course of its business. The Company cannot preclude the possibility that litigation may be brought against it from time to time. Any such claims, legal proceedings and litigation may have a material adverse effect on the financial performance and/or the business of the Company. The Company's insurance may not cover all or any part of any claims which customers or third parties may bring against the Company or may not be sufficient to protect the Company against any liability that may be imposed on it.

BIOVENTIX PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Regulatory environment

The medical diagnostics field in which the Company operates is highly regulated. Whilst the Company's antibodies are not themselves regulated, the tests in which they are used by the Company's customers must be approved by regulatory bodies such as the US Food and Drug Administration before they can be commercialised. Achieving and maintaining such approval by Bioventix's customers is therefore necessary to the continued success of the Company.

Distribution risk

Bioventix's antibodies are derived from sheep and therefore might be regarded as a sheep-derived product. Any future restriction on the distribution, import/export and use of sheep products or sheep-derived products that might be imposed by government or other authorities for whatever reason could materially affect Bioventix's business.

Market risk

There has been a process of merger and acquisition within the blood testing machine companies who are Bioventix's customers. Such activity can result in the rationalisation of individual machines. Therefore, machines that feature Bioventix antibodies could be replaced by machines that do not. Even in the absence of such mergers and acquisitions, machines can be developed within a company such that assays featuring Bioventix antibodies are withdrawn or replaced.

Competition

Whilst the Company does not operate under granted patents, the Directors believe that the Company has a significant set of know-how and skills that are unique. The Company may face competition from companies in business at present or not yet established that are or will be better funded, staffed or equipped than the Company. There is also a risk that the Company's principal target customers (blood testing manufacturers) may choose to use alternative antibodies. Competition from any source could adversely affect the Company's ability to generate income.

FINANCIAL RISK MANAGEMENT

Foreign exchange risk

The majority of the Company's revenues are denominated in either US Dollars or Euros whilst the majority of its operating costs are in Sterling. The Company is therefore exposed to significant foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Company's operating results.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Credit risk

The main credit risk of the company is attributable to its trade debtors. The amounts presented in the Balance Sheet are net of any bad debt provision.

BIOVENTIX PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

Interest rate risk

Due to the lack of borrowing within the company the interest rate risk is deemed to be low, and there are no specific policies in place to review this.

Price risk

The key income stream is that of royalties and these prices are set at the start of the royalty agreement, thus limiting the exposure to sales price risk. The key cost to the company is that of its staff and this is a manageable cost price risk.

Liquidity risk

The company maintains a strong cash balance, and always looks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and that cash is invested safely and profitably. Short term flexibility is achieved by the use of money markets to deposit excess cash which is not required in the short term. The directors prepare rolling cashflow forecasts.

Ability to pay future dividends

The company's ability to pay dividends in the future is dependent upon the extent to which it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will, or will not be able to, pay dividends in the future.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is exposure to exchange rate fluctuations, but no other significant price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risks are managed conservatively by maintaining deposits of short to medium duration in High Street Banks, thereby reducing the risk of financial default.

Trade debtors are managed in respect of credit by maintaining a regular dialogue with customers, the majority of whom are multinational diagnostics companies.

Risks in relation to exchange rate fluctuations are discussed on page 4.

BIOVENTIX PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL KEY PERFORMANCE INDICATORS

	2017	2016
	£	£
Turnover	7,245,862	5,517,217
Profit before tax	5,771,840	4,218,921
Cash balances	6,166,940	5,380,405

Revenues for the year of £7.2m (2016: £5.5m) were 31% up on the previous year. Profits before tax have increased by 37% year on year.

Cash balances at 30 June 2017 of £6.167m (2015: £5.380m) were significantly higher than the previous year despite significantly increased dividend payments.

The company monitors various financial key performance indicators as part of its accounting and management reporting process.

The directors do not anticipate any material change in the nature of the company's operations in the foreseeable future.

OTHER KEY PERFORMANCE INDICATORS

The future growth of the company relies on its research and development activities creating and being able to manufacture unique antibodies, that are required by our customers. The directors review and discuss the strategy and performance of our research and development, regularly throughout the year.

The company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn is expected to ensure the delivery of its core objectives of sustained real growth in future profitability.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but none individually are key.

This report was approved by the board and signed on its behalf.



P Harrison
Director

Date: 13 October 2017

BIOVENTIX PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the development and supply of antibodies.

BUSINESS REVIEW

This company is required to produce a business review complying with the requirements of the Companies Act 2006. This can be found in the Chairman and Chief Executive's statement on pages 1 and 2. In addition to this, information on the principal risks and uncertainties and key performance indicators can be found in the strategic report within pages 3 to 6.

RESEARCH AND DEVELOPMENT

During the year research and development costs were incurred of £764k (2016 : £714k).

BIOVENTIX PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

DIVIDENDS

The profit for the year, after taxation, amounted to £5,876,872 (2016 - £3,494,428).

A dividend of 46p per share was paid in October 2016. This equated to £2,345,382. (October 2015 - £1,091,001).

The board have declared and paid an interim dividend of 20p per share in March 2017. This equated to 1,027,735 (March 2016 - £833,404).

Following the end of the year, a dividend of 31p per share, together with a special dividend of 40p per share, has been declared and paid.

DIRECTORS

The directors who served during the year were:

P Harrison
I J Nicholson
T Turner
N J McCooke

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

During the year the company had in place Directors and Officers insurance.

DISCLOSURE OF INFORMATION TO AUDITORS

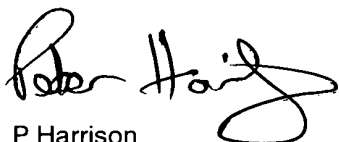
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 13 October 2017 and signed on its behalf.



P Harrison
Director

BIOVENTIX PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC

Opinion

We have audited the financial statements of Bioventix PLC for the year ended 30 June 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

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

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

An overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK and Ireland)'). We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Director's made subjective judgements, for

BIOVENTIX PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC (CONTINUED)

example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits we also addressed the risk of management override of internal controls, including evaluating whether there is evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account our understanding of the company and its environment, the accounting processes and controls, and the industry in which the company operates. The company operates via a standalone trading entity and thus a full scope audit was performed on this trading entity.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as 'areas of focus' in the Key audit matters section below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Key audit matters

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

Revenue recognition

Risk description

There is an inherent risk around the completeness and cut-off of revenue given the reliance on customer self-declarations and the timing of receipt of these.

How the scope of our audit responded to the risk

To assess the appropriateness and completeness of revenue recognised in the year we performed the following procedures:

- examined on a sample basis the royalty self-declarations made by customers for the year and agreed these to revenue recognised by the company;
- examined a sample of revenue transactions by reference to underlying contractual terms;
- examined on a sample basis goods delivery notes, invoices and postings for items dispatched around the period end;
- reviewed manual journals posted to the revenue account in the period and subsequent to year-end gaining an understanding of the appropriateness of these;
- considered the appropriateness and application of the company's accounting policy for revenue recognition; and
- considered the disclosures in the financial statements regarding revenue.

Key observations

The results of our testing were satisfactory and we consider the disclosure surrounding revenue to be appropriate.

BIOVENTIX PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC (CONTINUED)

Share-based payments

Risk description

The company provides share based incentive plans for directors and employees. During the year the company issued a further tranche of share options, these options vest over a three year period. As detailed in note 23 the total charge to the statement of comprehensive income for the year was £67,005 (2016: £53,225).

The selection and application of accounting policies in accordance with FRS 102 section 26 Share based payments is complex due to the bespoke nature of arrangements in place. Further they require significant judgement regarding the assumptions which are applied in calculating the fair value of the options.

How the scope of our audit responded to the risk

To assess the appropriateness of the application of accounting standards and the assumptions and judgements made by management we performed the following procedures:

- examined the documents setting out the scheme rules and terms of the schemes to determine the appropriateness of accounting policies made by management;
- assessed the inputs included in the fair value calculations, considering the reasonableness of assumptions made and the methodology followed;
- performed recalculations and sample-testing on the source documentation to check the accuracy of the calculations provided; and
- considered the disclosures in the financial statements regarding the scheme.

Key observations

The results of our testing were satisfactory and we consider the disclosure surrounding share based payments to be appropriate.

Management override

Risk description

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the application of policies and reported amount 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 a basis for making the judgements about the carrying value of assets and liabilities that are not available from other sources.

How the scope of our audit responded to the risk

During the course of our audit we performed the following procedures to address the risk of management override:

- assessed the appropriateness of accounting policy choices made by management and the basis of key judgements, estimates and assumptions;
- reviewed manual journal entries posted within the period for indicators of management bias, transactions outside the normal course of business or indicators of fraudulent activity;
- examined on a sample basis manual journals deemed to be higher risk gaining an appropriate understanding of the business rationale as well as confirming the accuracy of postings; and
- considered the value, nature and cause of misstatements identified during the course of the audit to identify indicators of bias.

Key observations

BIOVENTIX PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC (CONTINUED)

The results of our testing were satisfactory and we consider the disclosure surrounding accounting policy choices and key accounting judgements to be appropriate.

Our application of materiality

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

Based on our professional judgement we determined materiality for the financial statements as a whole to be £280,000 (2016: £120,000), based on 5 per cent of pre-tax profit of £5,771,000. Performance materiality of £225,000 (2016: £95,000) was applied for testing and it was agreed with the Directors that we would report on all audit differences in excess of £14,000 (2016: £6,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Materiality in the prior year was based on an average of profit before tax and revenue based benchmarks.

We also report on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information included in the annual report

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 Auditors' report thereon. Our opinion on the financial statements does not cover the 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

BIOVENTIX PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

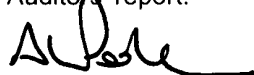
As explained more fully in the Directors' responsibilities statement on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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

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



Alan Poole BA (Hons) FCA (Senior statutory auditor)
for and on behalf of

James Cowper Kreston
Chartered Accountants & Statutory Auditors
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 13 October 2017

BIOVENTIX PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 £	2016 £
Turnover	4	7,245,862	5,517,217
Cost of sales		(494,880)	(494,880)
Gross profit		6,750,982	5,022,337
Administrative expenses		(998,797)	(839,233)
Share option charge		(67,005)	(53,225)
Difference on foreign exchange		5,747	75,512
Research & development tax credit adjustment		25,335	-
Operating profit	6	5,716,262	4,205,391
Interest receivable and similar income	9	55,578	13,694
Interest payable and expenses	10	-	(164)
Profit before tax		5,771,840	4,218,921
Tax on profit	11	(849,551)	(724,493)
Profit for the financial year		4,922,289	3,494,428

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

Earnings per share:

	2017	2016
Basic	96.36p	69.18p
Diluted	94.70p	67.95p

The notes on 21 - 36 form part of these financial statements.

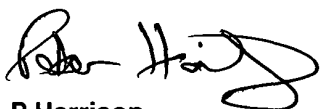
BIOVENTIX PLC
REGISTERED NUMBER: 04923945

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	449,312	467,087
Investments	15	195,560	43,330
		<u>644,872</u>	<u>510,417</u>
Current assets			
Stocks	16	226,174	198,933
Debtors: amounts falling due within one year	17	3,342,692	2,685,475
Cash at bank and in hand	18	6,166,940	5,380,405
		<u>9,735,806</u>	<u>8,264,813</u>
Creditors: amounts falling due within one year	19	(219,944)	(549,908)
Net current assets		<u>9,515,862</u>	<u>7,714,905</u>
Total assets less current liabilities		<u>10,160,734</u>	<u>8,225,322</u>
Provisions for liabilities			
Deferred tax	20	(16,114)	(17,949)
		<u>(16,114)</u>	<u>(17,949)</u>
Net assets		<u><u>10,144,620</u></u>	<u><u>8,207,373</u></u>
Capital and reserves			
Called up share capital	21	256,934	252,547
Share premium account	22	395,108	78,426
Capital redemption reserve	22	1,231	1,231
Profit and loss account	22	9,491,347	7,875,169
		<u>10,144,620</u>	<u>8,207,373</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13 October 2017.



P Harrison
Director

BIOVENTIX PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	252,547	78,426	1,231	7,875,169	8,207,373
Comprehensive income for the year					
Profit for the year	-	-	-	4,922,289	4,922,289
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,922,289	4,922,289
Dividends: Equity capital	-	-	-	(3,373,116)	(3,373,116)
Shares issued during the year	4,387	316,682	-	-	321,069
Share option charge	-	-	-	67,005	67,005
Total transactions with owners	4,387	316,682	-	(3,306,111)	(2,985,042)
At 30 June 2017	256,934	395,108	1,231	9,491,347	10,144,620

BIOVENTIX PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2015	252,547	78,426	1,231	6,251,921	6,584,125
Comprehensive income for the year					
Profit for the year	-	-	-	3,494,428	3,494,428
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,494,428	3,494,428
Dividends: Equity capital	-	-	-	(1,924,405)	(1,924,405)
Share option charge	-	-	-	53,225	53,225
Total transactions with owners	-	-	-	(1,871,180)	(1,871,180)
At 30 June 2016	252,547	78,426	1,231	7,875,169	8,207,373

The notes on pages 21 to 36 form part of these financial statements.

BIOVENTIX PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	4,922,289	3,494,428
Adjustments for:		
Depreciation of tangible assets	39,479	41,729
Interest paid	-	164
Interest received	(55,578)	(13,694)
Taxation charge	849,551	724,493
(Increase) in stocks	(27,240)	(5,963)
(Increase) in debtors	(621,581)	(594,901)
Increase in creditors	78,840	19,558
Corporation tax (paid)	(1,265,505)	(494,039)
Other tax movements	(30,323)	-
Net cash generated from operating activities	3,889,932	3,171,775
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,703)	(21,012)
Purchase of unlisted and other investments	(152,230)	(43,330)
Interest received	55,578	13,694
Share option charge	67,005	53,225
Net cash from investing activities	(51,350)	2,577

BIOVENTIX PLC

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

	2017 £	2016 £
Cash flows from financing activities		
Issue of ordinary shares	321,069	-
Dividends paid	(3,373,116)	(1,924,405)
Interest paid	-	(164)
Net cash used in financing activities	(3,052,047)	(1,924,569)
Net increase in cash and cash equivalents	786,535	1,249,783
Cash and cash equivalents at beginning of year	5,380,405	4,130,622
Cash and cash equivalents at the end of year	6,166,940	5,380,405
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,166,940	5,380,405
	6,166,940	5,380,405

BIOVENTIX PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

Bioventix Plc (04923945) is a public limited company registered in England and Wales. The Registered Office is 27-28 Eastcastle Street, London, W1W 8DH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Turnover is recognised for product supplied or services rendered to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria determine when turnover will be recognised:

Direct sales

Direct sales are recognised at the date of dispatch.

R&D income

Subcontracted R&D income is recognised based upon the stage of completion at the year-end.

Licence revenue

Annual licence revenue is recognised, in full, based upon the date of the invoice, and royalties are accrued over the period to which they relate.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Know how	-	10	years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	25% reducing balance
Motor Vehicles	-	25% straight line
Equipment	-	25% straight line

2.5 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.14 Employee benefits-share-based compensation

The company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the company will revise its estimates of the number of options are expected to be exercisable. It will recognise the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Research and development

Research and development expenditure is written off in the year in which it is incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies (as described in note 1), management is required to make judgments, estimates and assumptions. These estimates and underlying assumptions are reviewed on an ongoing basis.

There are no sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Product revenue and R&D income	1,925,059	1,389,061
Royalty and licence fee income	5,320,803	4,128,156
	<u>7,245,862</u>	<u>5,517,217</u>
	2017 £	2016 £
United Kingdom	305,609	313,712
Other EU	2,378,988	1,754,400
Rest of the world	4,561,265	3,449,104
	<u>7,245,862</u>	<u>5,517,216</u>

5. Other operating income

	2017 £	2016 £
Research & development tax credit adjustment	25,335	-
	<u>25,335</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	39,479	41,729
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,654	9,240
Exchange differences	(5,747)	(75,512)
Research and development costs	764,480	713,715
	<u>764,480</u>	<u>713,715</u>

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	656,736	534,916
Social security costs	58,537	54,458
Share option charge	67,005	53,225
Cost of defined contribution scheme	22,034	19,645
	804,312	662,244

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Management and administration	5	5
Scientific	11	9
	16	14

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	240,740	168,210
Company contributions to defined contribution pension schemes	6,026	5,184
	246,766	173,394

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £201,487 (2016 - £130,100).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,026 (2016 - £5,184).

BIOVENTIX PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

9. Interest receivable

	2017 £	2016 £
Other interest receivable	55,578	13,694
	<u>55,578</u>	<u>13,694</u>

10. Interest payable and similar charges

	2017 £	2016 £
Other interest payable	-	164
	<u>-</u>	<u>164</u>

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	851,386	726,862
	<u>851,386</u>	<u>726,862</u>
Total current tax	<u>851,386</u>	<u>726,862</u>
Deferred tax		
Origination and reversal of timing differences	(1,835)	(2,369)
	<u>(1,835)</u>	<u>(2,369)</u>
Total deferred tax	<u>(1,835)</u>	<u>(2,369)</u>
Taxation on profit on ordinary activities	<u>849,551</u>	<u>724,493</u>

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	5,771,840	4,218,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	1,096,650	843,784
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,946	10,898
Capital allowances for year in excess of depreciation	3,146	3,855
Short term timing difference leading to an increase (decrease) in taxation	(1,835)	(2,368)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(131,939)	(131,676)
Tax deduction arising from exercise of employee options	(161,775)	-
Other differences leading to an increase (decrease) in the tax charge	32,358	-
Total tax charge for the year	849,551	724,493

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2017 £	2016 £
Dividends paid	3,373,116	1,924,405
	3,373,116	1,924,405

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Intangible assets

	Know how £	Goodwill £	Total £
Cost			
At 1 July 2016	100,000	100,000	200,000
At 30 June 2017	100,000	100,000	200,000
Amortisation			
At 1 July 2016	100,000	100,000	200,000
At 30 June 2017	100,000	100,000	200,000
Net book value			
At 30 June 2017	-	-	-
At 30 June 2016	-	-	-

The know how was acquired in December 2003, and the company continues to derive economic benefit from it. The directors considered it to be appropriate to amortise the know how over its estimated useful economic life of 10 years.

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

14. Tangible fixed assets

	Freehold property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost or valuation					
At 1 July 2016	475,000	281,941	7,500	36,825	801,266
Additions	-	19,984	-	1,720	21,704
At 30 June 2017	<u>475,000</u>	<u>301,925</u>	<u>7,500</u>	<u>38,545</u>	<u>822,970</u>
Depreciation					
At 1 July 2016	106,875	197,719	7,500	22,085	334,179
Charge for the year on owned assets	7,125	26,063	-	6,291	39,479
At 30 June 2017	<u>114,000</u>	<u>223,782</u>	<u>7,500</u>	<u>28,376</u>	<u>373,658</u>
Net book value					
At 30 June 2017	<u><u>361,000</u></u>	<u><u>78,143</u></u>	<u><u>-</u></u>	<u><u>10,169</u></u>	<u><u>449,312</u></u>
At 30 June 2016	<u><u>368,125</u></u>	<u><u>84,222</u></u>	<u><u>-</u></u>	<u><u>14,740</u></u>	<u><u>467,087</u></u>

Included in land and buildings is freehold land at cost of £118,750 which is not depreciated.

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. Fixed asset investments

	Unlisted Investments £
Cost or valuation	
At 1 July 2016	43,330
Additions	152,230
	<u>195,560</u>
At 30 June 2017	<u>195,560</u>
Net book value	
At 30 June 2017	<u>195,560</u>
At 30 June 2016	<u>43,330</u>

Bioventix Plc have a warrant to subscribe for 20,000 shares at a strike price of NOK 210 per share, in pre Diagnostics AS. This has a duration to 30 April 2018. No consideration was paid for this warrant.

16. Stocks

	2017 £	2016 £
Finished goods	226,174	198,933
	<u>226,174</u>	<u>198,933</u>

Stock recognised in cost of sales during the year as an expense was £415,838 (2016 - £494,880).

17. Debtors

	2017 £	2016 £
Trade debtors	451,812	435,616
Other debtors	52,691	15,550
Prepayments and accrued income	2,838,189	2,234,309
	<u>3,342,692</u>	<u>2,685,475</u>

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	6,166,940	5,380,405
	<u>6,166,940</u>	<u>5,380,405</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	23,282	22,102
Corporation tax	-	408,806
Other taxation and social security	16,658	15,724
Accruals and deferred income	180,004	103,276
	<u>219,944</u>	<u>549,908</u>

20. Deferred taxation

	2017 £	2016 £
At beginning of year	(17,949)	(20,318)
Charged to profit or loss	1,835	2,369
At end of year	<u>(16,114)</u>	<u>(17,949)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(16,114)	(17,949)
	<u>(16,114)</u>	<u>(17,949)</u>

BIOVENTIX PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

21. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
5,138,674 (2016 - 5,050,931) Ordinary shares of £0.05 each	<u>256,934</u>	<u>252,547</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. Reserves

Share premium account

The share premium reserve contains the premium arising on issues of equity shares, net of issue expenses.

Capital redemption reserve

The capital redemption arose on the buy-back of shares by the company.

Profit & loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

BIOVENTIX PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23. Share based payments

During the year the company operated an Approved Share Option Scheme (the "Option Scheme"), to incentivise employees.

The company has applied the requirements of FRS 102 Section 26 Share-based Payment to all the options granted. The Option Scheme provides for a grant price equal to the market value of the Company's shares on the date of the grant, as agreed with HMRC Shares and Assets Valuation Division.

The contractual life of an option is 10 years from the date of grant. Options granted become exercisable on the third anniversary of the date of grant. Exercise of an option is normally subject to continued employment, but there are also considerations for good leavers. All share based remuneration is settled in equity shares.

	Weighted average exercise price (pence) 2017	Number 2017	<i>Weighted average exercise price (pence) 2016</i>	<i>Number 2016</i>
Outstanding at the beginning of the year	£3.99	91,743	£3.66	87,743
Granted during the year	£13.50	85,938	£11.15	4,000
Exercised during the year	£3.66	(87,743)		-
Outstanding at the end of the year	£13.40	89,938	£3.99	91,743

	2017 Black Scholes	<i>2016 Black Scholes</i>
Option pricing model used		
Issue price	£3.12-£13.50	£3.12-£11.60
Exercise price (pence)	£3.12-£13.50	£3.12-£11.60
Option life	10 years	10 years
Expected volatility	25.15%	17.47%- 33.82%
Fair value at measurement date	£1.72-£4.66	£1.50-£3.08
Risk-free interest rate	1.02%	0.84%

Expected volatility was based on past volatility since the shares have been listed on AIM.

The expense recognised for share-based payments during the year ended 30 June 2017 was £67,005 (Year ended 30 June 2016 : £53,225).

The number of staff and officers holding share options at 30 June 2017 was 15. The share options have been issued to underpin staff service conditions.

BIOVENTIX PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24. Earnings per share

The weighted average number of shares in issue for the basic earnings per share calculation is 5,108,026 (2016: 5,050,931) and for the diluted earnings per share, assuming the exercise of all share options is 5,197,961 (2016: 5,142,673).

The calculation of the basic earnings per shares is based on the profit for the period of £4,922,289 (2016: £3,494,428) divided by the weighted average number of shares in issue of 5,108,026 (2016: 5,050,931), the basic earnings per share is 96.36p (2016: 69.18p). The diluted earnings per share, assuming the exercise of all of the share options is based on 5,197,961 (2016: 5,142,673) shares and is 94.70p (2016: 67.95p).

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,034 (2016: £19,645). No contributions were owing at the year end (2016: £nil).

26. Related party transactions

During the year a dividend of £381,396 (2016: £231,715) was paid to Mr P and Mrs A Harrison. Mr P Harrison is a director of Bioventix Plc, and Mrs A Harrison is his wife.

During the year, fees of £19,625 were paid to Wise & Co, for accountancy, taxation and related services. T Turner is a partner within Wise & Co.

27. Controlling party

During the year there has not been an individual controlling party.