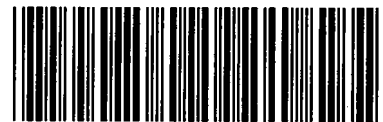


**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the Period 29 July 2014 to 31 December 2014
for
THORN MEDICAL PLC**

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THORN MEDICAL PLC

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FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

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THORN MEDICAL PLC

**Company Information
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

DIRECTORS:

Lord M W Beaverbrook
J Kaye
M H Bashir
N N Patel
M A Hay
K L Milne

REGISTERED OFFICE:

Victoria House
18 Dalston Gardens
Stanmore
Middlesex
HA7 1BU

REGISTERED NUMBER:

09151051

AUDITORS:

BBK Partnership
Chartered Accountants and Registered Auditors
1 Beauchamp Court
Victors Way
Barnet
Herts
EN5 5TZ

THORN MEDICAL PLC

Chairman's Report FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

Since Thorn Medical's formation in late July 2014, the company has been developing and growing at an exponential rate. In its initial five months of operation, it has established four direct subsidiaries and taken controlling interest in a further six companies.

Since inception, Thorn Medical has grown rapidly both through organic growth as well as through strategic acquisitions. 2014 has been a particularly exciting period for Thorn Medical and its investors, as significant value has been added to the business in this way.

In December 2014 the company commissioned Valuation Consulting LLP, one of the leading international valuation companies to independently provide a current market valuation of the company, taking into account both tangible and intangible assets, to include Land, Patents, Intellectual Property etc.

On the basis of the information provided to Valuation Consulting LLP, and their own research into the market, they were of the opinion that as at 30 January 2015, an indicative market value of Thorn Medical PLC would be in the region of £235m.

Some key highlights include:

- Successfully developing early diagnostic kits for colorectal cancer, heart arrhythmias (HEARTi) and breast cancer (BREASTCHECK & PROFEMME). These products are targeted at health-conscious consumers and address a lucrative and growing sub-sector in the healthcare market.

- Drawing upon the cross-disciplinary expertise within Thorn Medical it has successfully researched and developed the Pharmex range of nutraceuticals based upon natural, active ingredients. These will be launched in the practitioner market to be prescribed by health professionals as well as provided as a consumer range.

- Introducing new technologies (GERMGUARD) to meet the challenges of pathogenic disease. Recent health crises such as Ebola and the MERS virus have created huge challenges for governments and healthcare professionals alike but also demonstrated major opportunities for which Thorn Medical has developed cost-effective sanitation solutions to minimise the spread of communicable diseases.

The products and technologies will find multiple markets including consumer retail, aviation, primary care, nursing homes, pharmacies and hospitals. Thorn Medical is expecting strong growth for these products, increasing the revenue of the company further and adding additional value for investors.

Underpinning this growth is an intention to provide market-leading products to as many consumers as possible.

Functional foods and the idea of food as medicine are becoming increasingly popular and the market for these value-added products is expecting to reach over \$150 billion by the end of 2014. The investment in chia seeds and their potential for therapeutic use should see the company soon introduce chia-derived products into the market.

Another example of this approach is the creation of Thorn Halal, a wholly owned subsidiary of Thorn Medical. Halal consumers will constitute a third of the world's population by 2025 and the halal market is expected to be worth \$1.6 trillion by 2018.

Thorn Halal will allow Thorn Medical to develop a market leading position in this lucrative and fast growing sector. The primary focus is the development and introduction into the market of halal medicines, nutraceuticals and cosmetics and halal-focused partnerships within the food service, aviation, travel and health sectors, adding further value to the company and its investors.

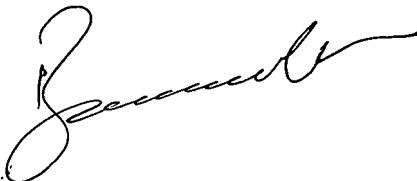
2015 is expected to be a successful year, as Thorn Medical continues to bring products from R&D stage to full commercialisation. Thorn Medical is providing effective healthcare, delivered worldwide and I would like to thank you for your continued investment and support.

THORN MEDICAL PLC

**Chairman's Report
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

The company is currently preparing a Prospectus for submission to the UK Financial Conduct Authority (FCA) to enable it to list its securities on the London Stock Exchange Standard List.

As part of its ongoing long term strategy, Thorn Medical will continue to both develop its existing portfolio of technology and patents as appropriate, and acquire additional complimentary businesses to add to its portfolio.

A handwritten signature in black ink, appearing to read 'J. Beaverbrook', written in a cursive style.

Lord Beaverbrook - Chairman

Date: 23 March 2015

THORN MEDICAL PLC

Group Strategic Report FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

The directors present their strategic report of the company and the group for the period 29 July 2014 to 31 December 2014.

BUSINESS REVIEW

Since Thorn Medical's formation in late July 2014, the company has been developing and growing at an exponential rate. In its initial five months of operation, it has established four direct subsidiaries and taken controlling interest in a further six companies. Additional acquisitions are planned and the company has announced its intention to list its securities on a UK based exchange in 2015.

Our rapid growth, both organic as well as through strategic acquisitions, has added significant value to the business, which based on an independent valuation conducted by Valuation Consulting LLP, places a current going concern valuation on the company of £235m.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group comprises some established business units and also a majority of units at an earlier stage of development. Early returns are not expected from these newer companies. The overall business must be considered in light of the risks, expenses and cash flow requirement often encountered by early stage companies.

The directors continue to assess the risks facing the company. Both the securing of new business and maintain existing relationships are key to the company's success. The Company may require additional financing to develop and grow its business both organically and through acquisitions.

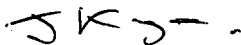
The Group's ability to be a successful business depends to a significant extent on the continued service of its key employees and Directors. The loss of service of one or more of these key employees could affect the Company's business and prospects. The Directors believe that the growth and future success of the Company's business will depend in large part on the Group's continued ability to attract, motivate and retain highly-skilled personnel.

KEY PERFORMANCE INDICATORS

The company relies upon the monthly management reporting and ongoing forecasting of its group subsidiaries to determine the effectiveness of its ongoing business strategy and where and when necessary to make changes to its development plans which reflect ongoing global market conditions.

Developing and maintaining the brand and company profile through name awareness and increasing its patents and intellectual property through cross-fertilisation remains a key performance indicator.

ON BEHALF OF THE BOARD:



J Kaye - Director

Date: 23 March 2015

THORN MEDICAL PLC

Report of the Directors FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

The directors present their report with the financial statements of the company and the group for the period 29 July 2014 to 31 December 2014.

INCORPORATION

Thorn Medical PLC was incorporated on 29 July 2014.

PRINCIPAL ACTIVITY

Thorn Medical will be the first-choice, trusted expert investor and acceleration partner that enables the rapid and successful development and distribution of innovative, scientifically-validated medical technology, pharmaceutical products and healthcare services companies in order to break down the barriers to transforming the efficiency and effectiveness of healthcare provision worldwide.

To achieve this, and deliver enhanced return on capital, it will acquire interests in and increase performance in a group of selected healthcare innovators, streamlining operations, reducing costs, encouraging cross-fertilisation and expanding market reach by providing best practice flexible management services.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2014.

FUTURE DEVELOPMENTS

Since the year end the group have acquired controlling interest in an additional company that specialises in Clean Waste Technology with a focus on medical waste. This acquisition incorporates further intellectual property that complements the company's existing portfolio.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 29 July 2014 to the date of this report are as follows:

Lord M W Beaverbrook - appointed 26 February 2015

J Kaye - appointed 29 July 2014

M H Bashir - appointed 28 September 2014

N N Patel - appointed 28 October 2014

M A Hay - appointed 28 September 2014

K L Milne - appointed 2 March 2015

G M Wilson – appointed 6 October 2014 and resigned 12 December 2014.

I Mohammed - appointed 28 September 2014 and resigned 2 October 2014

J Kelleher - appointed 28 September 2014 and resigned 29 October 2014.

G Jackson – appointed 29 July 2014 and resigned 28 September 2014.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

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 International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
 - make judgements and accounting estimates that are reasonable and prudent;
-

THORN MEDICAL PLC

**Report of the Directors
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



J Kaye - Director

Date: 23 March 2015

Report of the Independent Auditors to the Members of Thorn Medical Plc

We have audited the financial statements of Thorn Medical Plc for the period ended 31 December 2014 on pages seven to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's loss for the period then ended;
- 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 IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

**Report of the Independent Auditors to the Members of
Thorn Medical Plc**

Alan Kaye (Senior Statutory Auditor)
for and on behalf of BBK Partnership
Chartered Accountants and Registered Auditors
1 Beauchamp Court
Victors Way
Barnet
Herts
EN5 5TZ

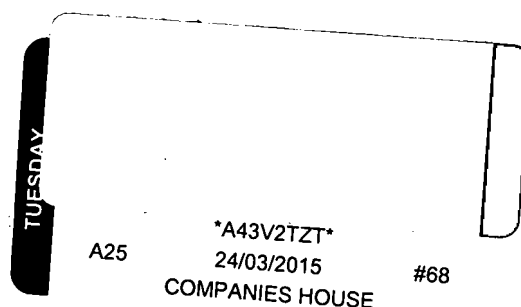
BBK

Date: 23 March 2015

THORN MEDICAL PLC

Consolidated Statement of Profit or Loss FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

	Notes	£
CONTINUING OPERATIONS		
Revenue		169,829
Cost of sales		<u>(117,752)</u>
GROSS PROFIT		52,077
Distribution costs		(1,190)
Administrative expenses		<u>(79,995)</u>
OPERATING LOSS		<u>(29,108)</u>
LOSS BEFORE INCOME TAX	3	(29,108)
Income tax	4	<u>-</u>
LOSS FOR THE PERIOD		<u>(29,108)</u>
Loss attributable to: Owners of the parent		<u>(29,108)</u>



The notes form part of these financial statements

THORN MEDICAL PLC

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

	£
LOSS FOR THE PERIOD	(29,599)
OTHER COMPREHENSIVE INCOME	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(29,599)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(29,599)</u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 DECEMBER 2014

	Notes	£
ASSETS		
NON-CURRENT ASSETS		
Goodwill	6	8,333,417
Intangible assets	7	32,326,878
Property, plant and equipment	8	32,359,060
Investments	9	-
		<u>73,019,355</u>
CURRENT ASSETS		
Inventories	10	44,308
Trade and other receivables	11	104,155
Investments	12	250
Cash and cash equivalents	13	<u>254,263</u>
		<u>402,976</u>
TOTAL ASSETS		<u><u>73,422,331</u></u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	14	6,362,562
Share premium	15	50,291,867
Retained earnings	15	<u>(30,096)</u>
		56,624,333
Non-controlling interests		<u>15,832,321</u>
TOTAL EQUITY		<u><u>72,456,654</u></u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax	21	<u>491</u>
CURRENT LIABILITIES		
Trade and other payables	16	954,887
Tax payable		<u>10,299</u>
		<u>965,186</u>
TOTAL LIABILITIES		<u><u>965,677</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>73,422,331</u></u>

The financial statements were approved by the Board of Directors on 23 March 2015 and were signed on its behalf by:



J Kaye - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 DECEMBER 2014

	Notes	£
ASSETS		
NON-CURRENT ASSETS		
Goodwill	6	-
Intangible assets	7	32,326,878
Property, plant and equipment	8	-
Investments	9	<u>24,327,551</u>
		56,654,429
TOTAL ASSETS		<u>56,654,429</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	14	6,362,562
Share premium	15	<u>50,291,867</u>
TOTAL EQUITY		<u>56,654,429</u>
LIABILITIES		
TOTAL LIABILITIES		<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u>56,654,429</u>

The financial statements were approved by the Board of Directors on 23 March 2015 and were signed on its behalf by:



.....
J Kaye - Director

The notes form part of these financial statements

THORN MEDICAL PLC

**Consolidated Statement of Changes in Equity
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

	Called up share capital £	Retained earnings £	Share premium £
Changes in equity			
Issue of share capital	6,362,562	-	50,291,867
Total comprehensive income	<u>-</u>	<u>(30,096)</u>	<u>-</u>
Balance at 31 December 2014	<u><u>6,362,562</u></u>	<u><u>(30,096)</u></u>	<u><u>50,291,867</u></u>

	Total £	Non-controlling interests £	Total equity £
Changes in equity			
Issue of share capital and share premium	56,654,429	-	56,654,429
Total comprehensive income	(30,096)	-	(30,096)
Non-controlling interests	<u>-</u>	<u>15,832,321</u>	<u>15,832,321</u>
Balance at 31 December 2014	<u><u>56,624,333</u></u>	<u><u>15,832,321</u></u>	<u><u>72,456,654</u></u>

The notes form part of these financial statements

THORN MEDICAL PLC

**Company Statement of Changes in Equity
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	<u>6,362,562</u>	<u>-</u>	<u>50,291,867</u>	<u>56,654,429</u>
Balance at 31 December 2014	<u><u>6,362,562</u></u>	<u><u>-</u></u>	<u><u>50,291,867</u></u>	<u><u>56,654,429</u></u>

The notes form part of these financial statements

THORN MEDICAL PLC**Consolidated Statement of Cash Flows
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	101,215
Tax payable		<u>10,299</u>
Net cash from operating activities		<u>111,514</u>
 Cash flows from financing activities		
Cash introduced		<u>142,749</u>
Net cash from financing activities		<u>142,749</u>
 Increase in cash and cash equivalents		<u>254,263</u>
Cash and cash equivalents at beginning of period	2	-
 Cash and cash equivalents at end of period	2	<u><u>254,263</u></u>

The notes form part of these financial statements

THORN MEDICAL PLC

**Notes to the Consolidated Statement of Cash Flows
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	£
Loss before income tax	(29,599)
Depreciation charges	<u>1,513</u>
	(28,086)
Increase in inventories	(44,308)
Increase in trade and other receivables	(104,155)
Increase in trade and other payables	<u>277,764</u>
Cash generated from operations	<u><u>101,215</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Period ended 31 December 2014

	31.12.14	29.7.14
	£	£
Cash and cash equivalents	<u><u>254,263</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Revenue is recognised at the point that services have been provided to customers and the Group becomes entitled to payment.

Goodwill

Goodwill is recorded as an intangible asset and is the surplus of the cost of acquisition over the fair value of identifiable net assets acquired. Goodwill is reviewed annually for impairment. Any impairment identified as a result of the review is charged in the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets are recognised at initial cost less any accumulated amortisation and impairment losses. The useful economic life of the asset is unquantifiable and therefore no amortisation is provided against intangible assets. Impairment reviews of the value of the asset are carried out annually by management with reference to future cash flows anticipated in respect of the asset.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold land	- Nil
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 20% reducing balance

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

Taxation

Income taxes include all taxes based upon the taxable profits of the company. Other taxes not based on income, such as property and capital taxes, are included within operating expenses or financial expenses according to their nature.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Hire purchase and leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

THORN MEDICAL PLC

**Notes to the Consolidated Financial Statements - continued
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

2. EMPLOYEES AND DIRECTORS

Wages and salaries	£ <u>9,425</u>
--------------------	-------------------

The average monthly number of employees during the period was as follows:	<u>2</u>
---	----------

3. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

Fees payable to the company's auditor for the audit of the company's annual accounts	£ 15,000
Other operating leases	7,889
Depreciation - owned assets	<u>1,513</u>

4. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the period.

5. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0.

6. GOODWILL

Group

	£
COST	
Additions	<u>8,333,417</u>
At 31 December 2014	<u>8,333,417</u>
NET BOOK VALUE	
At 31 December 2014	<u>8,333,417</u>

7. INTANGIBLE ASSETS

Group

	Intellectual Property	£
COST		
Additions		<u>32,326,878</u>
At 31 December 2014		<u>32,326,878</u>
NET BOOK VALUE		
At 31 December 2014		<u>32,326,878</u>

THORN MEDICAL PLC

**Notes to the Consolidated Financial Statements - continued
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

7. INTANGIBLE ASSETS continued

Intangible assets represent the group's holding of intellectual property rights in respect of "Breastcheck" and "Profemme", medical products designed for the detection of breast cancer. No amortisation has been provided in relation to these assets as in the directors' opinion the useful economic life of the assets is unquantifiable.

The directors' have conducted impairment reviews at the period end date and is of the opinion that the present value of future cash flows generated by the assets will exceed the current value in the financial statements.

Company

	Intellectual Property £
COST	
Additions	<u>32,326,878</u>
At 31 December 2014	<u>32,326,878</u>
NET BOOK VALUE	
At 31 December 2014	<u><u>32,326,878</u></u>

Intangible assets represent the company's holding of intellectual property rights in respect of "Breastcheck" and "Profemme", medical products designed for the detection of breast cancer. No amortisation has been provided in relation to these assets as in the directors' opinion the useful economic life of the assets is unquantifiable.

The directors have conducted impairment reviews at the period end date and is of the opinion that the present value of future cash flows generated by the assets will exceed the current value in the financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
Additions	<u>32,320,800</u>	<u>96</u>	<u>39,677</u>	<u>32,360,573</u>
At 31 December 2014	<u>32,320,800</u>	<u>96</u>	<u>39,677</u>	<u>32,360,573</u>
DEPRECIATION				
Charge for period	<u>-</u>	<u>-</u>	<u>1,513</u>	<u>1,513</u>
At 31 December 2014	<u>-</u>	<u>-</u>	<u>1,513</u>	<u>1,513</u>
NET BOOK VALUE				
At 31 December 2014	<u><u>32,320,800</u></u>	<u><u>96</u></u>	<u><u>38,164</u></u>	<u><u>32,359,060</u></u>

THORN MEDICAL PLC

**Notes to the Consolidated Financial Statements - continued
FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014**

9. INVESTMENTS

Company

Shares in
group
undertakings
£

COST

Additions

24,327,551

At 31 December 2014

24,327,551

NET BOOK VALUE

At 31 December 2014

24,327,551

10. INVENTORIES

Group
£

Finished goods

44,308

11. TRADE AND OTHER RECEIVABLES

Group
£

Current:

Trade debtors

70,506

Other debtors

11,290

VAT

20,636

Prepayments

1,723

104,155

12. INVESTMENTS

Group
£

Unlisted investments

250

13. CASH AND CASH EQUIVALENTS

Group
£

Cash in hand

1,375

Bank accounts

252,888

254,263

THORN MEDICAL PLC

Notes to the Consolidated Financial Statements - continued FOR THE PERIOD 29 JULY 2014 TO 31 DECEMBER 2014

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	
Number:	Class:	value:	£
63,625,627	Ordinary Shares	10p	<u>6,362,562</u>

15. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 29 July 2014	(497)	-	(497)
Deficit for the period	(29,599)		(29,599)
Shares issued	-	50,291,867	50,291,867
At 31 December 2014	<u>(30,096)</u>	<u>50,291,867</u>	<u>50,261,771</u>

Company

	Retained earnings £	Share premium £	Totals £
Profit for the period	-		-
Shares issued	-	50,291,867	50,291,867
At 31 December 2014	<u>-</u>	<u>50,291,867</u>	<u>50,291,867</u>

16. TRADE AND OTHER PAYABLES

	Group £
Current:	
Trade creditors	249,827
Social security and other taxes	2,812
Other creditors	8,280
Accrued expenses	16,845
Directors' current accounts	<u>677,123</u>
	<u>954,887</u>

17. CONTROL

No one person has control. The running of the company is controlled by its Board of Directors.

18. EVENTS AFTER THE REPORTING PERIOD

Since the period end the group has acquired further intellectual property for £600,000, paid for in shares in the company.

THORN MEDICAL PLC

Notes to the Consolidated Financial Statements - continued
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19. LEASING AGREEMENTS

Group

Non-cancellable
operating leases
£

Total commitments under non-cancellable operating leases were as follows:

Within one year	-
Between one and five years	-
In more than five years	<u>158,510</u>
	<u>158,510</u>

20. FINANCIAL INSTRUMENTS

Liquidity risk

Arrangements are made within the group and with related parties to ensure that suitable and appropriate access to funding is available.

Foreign currency risk

The group's principle foreign currency exposure arises from payments due to suppliers in currencies other than UK sterling, primarily the Euro and US Dollar. The director does not believe that this exposure represents a material risk to the group

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis with provision for doubtful debts made where necessary.

21. DEFERRED TAX

Group

£

Timing differences (capital allowances)	<u>491</u>
At 31 December 2014	<u>491</u>

22. RELATED PARTY TRANSACTIONS

In October 2014, the group acquired intellectual property from Westhouse Medical Services PLC. The consideration of £32,326,878 was paid by issuing ordinary £0.10 shares at £3 per share in Thorn Medical PLC to all Westhouse Medical Services PLC shareholders.