Premaitha Health PLC

Annual Report and Accounts to 31 March 2015

Company number: 3971582

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Who we are

Premaitha Health PLC was created through the reverse takeover of AIM-listed ViaLogy PLC by Premaitha Ltd in July 2014, with a clear strategy to be at the forefront of introducing advanced screening tests using the latest DNA sequencing technologies.

An exceptional team of commercial and scientific specialists based in Manchester, UK has identified market segments where DNA sequencing can be applied to increase accuracy in clinical testing. By combining our core capabilities of deep clinical understanding, first class product development, adaptable commercialisation and insight into clinicians' needs, we are confident Premaitha can lead the way in this emerging market with ground-breaking DNA screening tests.

In February 2015, only seven months after the reversal onto AIM, Premaitha announced the launch of its first product, the CE-marked IONA® non-invasive prenatal test for Down's syndrome and other chromosomal abnormalities. Since then, we have made good in-roads into private and public healthcare systems across Europe. Our focus is now on the further commercialisation of the IONA® test on the international stage. We also continue to develop enhancements to the IONA® test as well as searching for other clinical areas suited to DNA sequencing technology.

Our business model is to enable clinical laboratories to offer DNA sequencing-based screening tests in-house by designing lab-friendly workflows operating on state-of-the-art equipment and using our proprietary IONA® DNA library preparation kit. Results are generated by our bespoke software system built on market-leading bioinformatics technology.

Not all laboratories will have sufficient demand to justify the investment in the equipment required, and some need additional back-up options during set-up and busy periods. For these customers we offer high quality testing services from our Care Quality Commission (CQC) accredited service laboratory based at our head office on Manchester Science Park.

Non-Invasive Prenatal Testing (NIPT)

Facts and figures [sidebar]

- There are 140 million babies born each year, of these, 82 million (58%) are in countries offering NIPT
- 3.6 million prenatal screening tests are currently performed in Europe, of which only 1.4% were NIPT. The equivalent figures for the USA are just under 3 million prenatal screening tests of which 15% were NIPT.
- An estimated 2-4 million additional prenatal screening tests are expected in the next 5-10 years, making a total market for NIPT of almost 15 million tests

Introduction to NIPT

During pregnancy the placenta leaks fetal DNA which circulates in the maternal bloodstream. As a result, a maternal plasma sample contains a mixture of fetal and maternal circulating DNA fragments. Applying the latest Next Generation Sequencing (NGS) technologies allows this DNA to be tested for the presence of Down's syndrome (Trisomy 21), Edwards' syndrome (Trisomy 18) and Patau's syndrome (Trisomy 13), to provide an early and highly accurate screening result.

Professional recommendations for NIPT

Clinical trials have repeatedly demonstrated the significantly higher accuracy of NIPT tests when compared to the current combined biochemical and ultrasound screening tests. Recently a number of professional fetal and maternal medicine associations (ESHG / ASHG, FIGO, SMFM) have made recommendations on prenatal screening. They all support prenatal screening for Trisomy 21, Trisomy 18 and Trisomy 13. However they strongly advocate caution in including and reporting microdeletions and sex-chromosomal abnormalities, which can reduce the overall effectiveness of an NIPT test. These recommendations support the type of screening offered by the IONA® test.

Reimbursement

A major factor accelerating the uptake of NIPT is reimbursement. In July 2015 it was announced that in Switzerland health insurance would cover NIPT if the first trimester screening indicated high trisomy risk. The insurance covers testing for Trisomy 21, Trisomy 18 and Trisomy 13.

Over time we anticipate that reimbursement will be extended to lower risk populations until all prenatal screening is based on analysis of circulating DNA. The market will not fully develop until NIPT is reimbursed in low risk populations and this is likely to take five to ten years.

The NHS National Screening Committee (NSC) is currently consulting on NIPT. The consultation period is due to end in October 2015 when a recommendation for implementing NIPT into the current screening pathways in the UK will be made. However, some NHS hospitals have already implemented NIPT and are offering tests now. St George's NHS Hospital Trust in London put out a tender in January 2015 for NIPT provision, which was awarded to Premaitha Health.

Industry Analysis [sidebar]

In July 2015, Piper Jaffray analyst, William Quirk pegged the average-risk NIPT market at $2.2 billion. By comparison, he estimated the high-risk NIPT market as approximately $750m. The average-risk market is currently about 5 to 6% penetrated, while the high-risk market is 54% penetrated. (https://www.genomeweb.com/sequencing-technology/anthem-bcbs-changes-policy-deems-nipt-medically-necessary-average-low-risk).

The IONA® test

What is the IONA® test?

The IONA® test is a non-invasive prenatal test (NIPT) which estimates the risk of a fetus having Down's syndrome (Trisomy 21), Edwards' syndrome (Trisomy 18) or Patau's syndrome (Trisomy 13). Edwards' and Patau's syndrome are much rarer than Down's but are very serious and many affected babies die *in-utero* or soon after birth. Trisomies occur when three, instead of the usual two, copies of a chromosome are present in the fetus.

The IONA® test is an advanced screening test performed on a sample of maternal blood. It has a higher detection rate and lower false positive rate than existing non-DNA based screening tests. This reduces the need for unnecessary invasive follow-up tests, giving pregnant women, their families and their doctors greater confidence in the result while reducing maternal anxiety and stress.

IONA® is a complete diagnostic system that is simple and standardised, enabling Premaitha's clinical laboratory customers to perform the test in their own facilities. This supports Premaitha's strategy of accelerating the broad dissemination of NIPT tests to ensure that their benefits are available to pregnant women everywhere.

How does the IONA® test work?

In the 10th week of pregnancy a blood sample is taken in hospital or at a private clinic. The sample is sent to the laboratory and the IONA® test is performed over a three day timeframe. The results of the test, either low or high risk of a trisomy, are sent direct to the healthcare professional and then communicated to the pregnant woman. High risk results are confirmed by an invasive diagnostic procedure (amniocentesis or chorionic villus sampling (CVS)).

The IONA® test directly measures alterations in DNA ratios in the maternal plasma when fetal trisomy 21, 18 or 13 is present. The IONA® test employs Next Generation Sequencing (NGS) technologies to count the number of fragments of the chromosomes to calculate this ratio, hence providing a risk of an affected pregnancy.

Clinical laboratories - the IONA® advantage

Currently the majority of NIPT providers offer a service where samples are posted to a central laboratory in the US or China. As a consequence, results are offered within 14 days.

The IONA® test is different. It is a CE-marked regulated *in vitro* diagnostic kit that allows clinical laboratories to provide an in-house NIPT offering to their local network of hospitals and clinics. The test is a complete diagnostic system that is straightforward, robust, cost-effective and automated, covering the entire process, from DNA extraction through to results generation.

For laboratories, the benefits of the IONA® test are a full technical support package with comprehensive training programmes for new laboratories, installation of all instrumentation and configuration of the IONA® system with the server and software. Premaitha's experienced global technical team provides ongoing support throughout the product lifecycle.

The IONA® test is a CE-marked product meaning all validation steps for the product have been completed, ensuring rapid and efficient implementation. This guarantees a robust, reliable and reproducible test with time to results of just three days.

Based on customer feedback following the launch of the IONA® test in February 2015, Premaitha has established an in-house, accredited service laboratory to support customer laboratories. Accredited by the CQC, the service laboratory will assist customers during the interim set-up period while also providing a backup service should it be needed.

Benefits of the IONA® test for pregnant women

Screening currently offered during pregnancy at 11-13 weeks is called the combined test. This is an ultrasound scan to measure the nuchal translucency (NT), crown rump length and a blood test (maternal serum screening (MSS)). This is much less accurate than NIPT and only detects around 85% of babies with Down's syndrome.

If the result indicates that the fetus is at a high risk of Down's syndrome, Edwards' syndrome or Patau's syndrome, an invasive follow-up procedure such an amniocentesis or CVS will be recommended.

With the IONA® test, which is more accurate, fewer pregnant women will need these invasive procedures which are stressful, painful and carry a small risk of miscarriage.

[diagram text]
Safe: Non-invasive with no risk of miscarriage
Rapid result: The IONA® test is the fastest NIPT on the market with results provided in just three days, reducing anxious waiting times
Accurate: >99% for detection of trisomy conditions
Straightforward: Uses a small maternal blood sample taken from the mother's arm
Cost-effective: Performed in a local laboratory, so sample is not shipped to the USA or China
Quality: The IONA® test is a regulated CE-IVD diagnostic

Group strategy and business model

Significant market opportunity

A multi-billion dollar *in-vitro* diagnostic opportunity is emerging as new NGS technologies complement and displace established methods for clinical screening. Initially the greatest opportunity is in the field of non-invasive prenatal testing (NIPT). Premaitha is at the forefront of this space, developing product-based solutions using a combination of deep molecular diagnostics expertise and a profound understanding of clinical and laboratory practices.

Laboratory-focused business model

Premaitha's strategy is to encourage the broad uptake of DNA testing by enabling these laboratories to perform NIPT testing through the CE-marked IONA® test. The primary target markets are Europe, Asia, the Middle East and the Americas. Primary customers for the test are the 600 laboratories already providing prenatal screening and other laboratories wishing to begin to offer NIPT comprising public and private hospitals, reference laboratories and private fetal medicine centres.

The NIPT market originated in the USA and China in 2011, where regulatory and reimbursement considerations led to a laboratory developed test (LDT) model based around large reference laboratories. Premaitha determined that such a business model is not suitable for all as there are already hundreds of existing screening laboratories that want to offer an NIPT test. Screening laboratories offer a localised service which can be integrated with other aspects of prenatal care.

The benefits of local NIPT testing are significant: shorter turnaround time to results, decreased shipping costs, reporting in local languages and revenue generation for the laboratories. For healthcare professionals and pregnant women, this makes NIPT screening more effective, affordable, faster and accessible.

Across Europe and the rest of the world, an increasing number of private and public hospitals, reference laboratories and private fetal-medicine centres are offering NIPT. Thousands of obstetricians and millions of women support the benefits of the local form of testing.

Clinical credentials paramount

Demand for an NIPT test is generated by interest from obstetricians and pregnant women. This is also being reinforced further by our ongoing programme of clinical trials, publications and collaboration with key opinion leaders in the field of prenatal screening. Our commercialisation efforts are also supported by our platform providers; all global leaders in their respective fields.

Multiple routes to market

To facilitate the growth of this new market, Premaitha has established a CQC-accredited IONA® service laboratory at its headquarters in Manchester. The service laboratory provides professionally managed NIPT testing to support existing customers, allow rapid access to market for new laboratory customers and to generate early revenues for Premaitha and our clients.

Premaitha primarily sells direct in Europe and is in the process of establishing a network of global distribution partners in other world regions.

Chairman's Statement

I am pleased to be able to report on a successful first nine months of Premaitha Health PLC since July 2014 when we undertook the reverse takeover of ViaLogy plc and the simultaneous admission to AIM and £7m fundraising.

The objective of the fundraising was to support the launch of the IONA® non-invasive prenatal test based on the latest DNA sequencing technologies. I am delighted to report that Premaitha has hit its key milestones as set out at the time of the reverse takeover. We have delivered the world's first CE-marked diagnostic product, signed contracts across Europe, including launching the first NHS test in the UK, and achieved recognition amongst our peers and key opinion leaders. This has all been achieved in a short period of time and is despite wholly opportunistic legal obstacles placed in our path (see principal risks and uncertainties section), which we are robustly defending.

Premaitha is at the forefront of a revolution in prenatal screening which will benefit pregnant women and healthcare professionals. Our intention is to accelerate the roll-out of the IONA® test by working closely with our partners, customers and respective Health Authorities to make it as widely available to pregnant women as possible.

Focused strategy underpinned by strong clinical foundations

The Group's strategy is to apply DNA-based technological advances to significant medical challenges, initially by delivering a rapid take-up of DNA-based prenatal screening solutions. We develop, produce and sell molecular diagnostic products and services to prenatal screening and genetics laboratories internationally. These products and services are developed and delivered to the highest quality standards, and are supported by strong clinical studies and collaborations with knowledge leaders in the field.

Highly capable team assembled

We have assembled an exceptional team of leading scientists and experienced professionals in all disciplines at our Manchester headquarters and have started the process of building an outstanding commercial team to generate revenues and support our international client base. At the end of the financial year we employed 29 people and have a network of dedicated consultants.

I would like to thank all of those individuals for their efforts in delivering the impressive achievements to date.

Robust financial position

Financially, the Group is at the early stages of its journey. The recent fundraising in July 2015 demonstrated strong shareholder support for our strategy and has given the company a sound financial base from which to roll out our commercialisation strategy.

Outlook

Our outlook will continue to be dominated by the pending litigation by Illumina and their actions in the marketplace. This will ultimately be resolved in a Court of Law in the United Kingdom. The earliest likely date for trial proceedings to commence is October 2016.

The legal process does not work to our advantage in terms of timeliness and in the meantime we have a fight on our hands in the marketplace as our legal adversary can use all of the tools at its disposal to disrupt us in the marketplace.

The intensity of that activity has increased subsequent to our recent fundraising as the robustness of our position no doubt became apparent. We are here to stay and we have every confidence in our position and we are not prepared to be bullied into submission. It remains the Board's belief that the greatest risk to the downside remains with Illumina as capital markets finally assess this risk properly.

We intend to take the fight not just through the courts but through ensuring we enter into the right partnerships whereby we can ultimately ensure that both Healthcare providers and expectant parents have a real choice.

We anticipate securing further contracts but their exact timing cannot be determined due to the factors outlined above. The overall value proposition remains undiminished and on a two year time horizon I think subject to a successful resolution of the court action we will be seen to be an attractive asset to those platform players looking for regulatory approved content for their instruments because the long run for *in-vitro* Diagnostics content is king.

Highlights [sidebar]

July 2014 AIM Admission: £7m raised to fund IONA® launch

February 2015: IONA® NIPT test launched, first CE marked product

March 2015: Premaitha secures first NHS contract to be awarded

March 2015: Premaitha wins contract with an international private clinic group in Switzerland

March 2015: Premaitha wins contract with a private clinic group based in Poland

Chief Executive's Report

Recent developments in the science and technology of human genetics have created great potential for improvements in human health. Our goal at Premaitha is to translate these scientific advances into practical solutions which can create real clinical benefit for humankind. Our first product, the IONA® prenatal screening test, which was launched on schedule in February 2015 employs the most advanced genetic analysis technology to provide a simple, accurate and reliable prenatal screening test result to pregnant women and their families.

Development of the IONA® screening test began in earnest early in 2013 and the on-time delivery of the test to the marketplace is a remarkable achievement by all concerned, including the shareholders who supported the AIM combination with ViaLogy PLC in July 2014 as well as the many scientists and commercial, clinical and support staff who have contributed to the launch.

IONA® test development continues as we work to expand and improve the utility of the product. With the launch of the IONA® test the focus of our business has moved from a development stage company to a fully operational manufacturing and commercialisation business with all of the challenges and opportunities this entails.

Strategy

The new generation of prenatal screening tests have impressive clinical performance but, unless they are readily available to pregnant women across the world, these benefits are of little value. With this in mind our clear strategy is to provide product-based screening solutions to our laboratory customers to enable the rapid dissemination of the technology. The IONA® test is designed to allow clinical laboratories, even without a background in DNA analysis technology, to offer the new NIPT tests thereby ensuring broad uptake and access to pregnant women. Our products are supported by the provision of screening services to enable our customers to enable testing whilst they build their demand profile and investment cases to offer the service in-house.

We are confident that our model of providing the highest consistent quality products to localised screening laboratories is ideally suited to the needs of the international markets for prenatal screening.

Market development

Premaitha was successful in the UK's first NHS tender to provide NIPT screening at St George's Hospital Trust in London, UK. Since then we have continued to expand our customer base in countries such as Poland and Switzerland. We are currently in negotiations with a number of parties in the UK, Europe and beyond.

The decision to adopt NIPT testing is a complex one for laboratories as it involves significant capital outlay and uncertainty as to how quickly the solution will be adopted by official bodies and patients. The sales process can, therefore, be lengthy. However, we remain confident that ultimately all prenatal screening will include NIPT and that the IONA® test represents the best available solution for pregnant women and the screening clinicians and laboratories who support them.

Product development

The analysis of cell-free DNA is a rapidly evolving field with significant utility not only in prenatal screening but also in other fields of medicine. At Premaitha our product development activities are focused on both improving the existing test and applying our technology to other applications. The three main programmes we have running are:

- **Throughput, cost and convenience** – a coordinated set of projects designed to make the IONA® test even more attractive to our laboratory customers by increasing throughput whilst reducing costs
- **Clinical content** – a parallel project to extend the range of prenatal conditions analysed in response to input from leading clinicians and learned societies
- **New applications** – an early stage project to assess the feasibility of applying IONA® technology to the detection of cell free DNA primarily in the area of cancer detection

In addition to these new developments we are also extending the availability of the IONA® test by performing registration studies to allow us to sell the product in territories in Asia and the Americas.

Geographical footprint

Premaitha is based on Manchester Science Park which adjoins the University of Manchester, a leading UK research institution which is internationally recognised for breakthrough technological innovations. This environment, and the ready access to a talented pool of scientists and other specialisms, is a natural home for us and is the base for our future expansion. We are also building an international organisation with commercial and client support representatives across Europe and, in due course, internationally.

Technical support

Critical to Premaitha's proposition to customers is our ability to offer training and technical support to laboratories that may not be familiar with the technology used in the IONA® test. To support this activity, we opened a new training suite in Manchester and we have recruited an experienced technical support team.

Clinical laboratory

We have established a laboratory to perform IONA® testing to support client demonstrations and to act as an enabling resource for customers who are installing the IONA® workflow in their own facilities or are building sample volumes with their downstream clinical partners. This laboratory is now CQC accredited as a demonstration of our commitment to quality.

Supply chain

Premaitha has assembled a scalable supply chain with best-in-class partners in the fields of NGS instrumentation, assay development, bioinformatics development and diagnostics manufacture. These partners are aligned culturally and operationally to fulfil the potential we aim to achieve with the IONA® prenatal screening test.

Outlook

The main challenge that Premaitha faces is to rapidly expand our business in the face of strong competition from other players in the prenatal screening field. We are confident that our product is world-class, as are our sales and technical support teams, but we do not underestimate the level of effort needed to achieve our goal of becoming a leading global provider of prenatal screening products.

One significant favourable factor is our choice of analysis and sequencing platforms. All NIPT tests rely on next generation sequencing or analysis to produce the data for accurate test reports. Premaitha has a unique platform offering which allows us to align our interests with those of our platform providers, in that a customer for the IONA® test is also a customer for them. In the coming year we will aim to expand and strengthen these relationships.

The ongoing patent case with Illumina is certainly not helpful with regards to the development of our business but we remain confident in the strength of our position and see this as only a temporary setback. Furthermore, as we expand our business internationally there are many territories where the patent landscape is very different to the UK.

As we enter the next year of development of our business we find ourselves with a unique world-class product in a very rapidly expanding market with multi-billion dollar global potential. Couple this with our experienced technical, operational and commercial teams and the prospects for the future look bright. We look forward to continued market penetration in collaboration with key clinical thought leaders and national screening bodies.

Income statement

Premaitha launched its first product, the IONA® non-invasive prenatal test in February 2015 and therefore had limited revenues of £132,267 (2014: £102,500) related to grant income received. General and administrative expenses of £4,968,129 (2014: £1,628,624) were principally incurred on research and development expenditure, associated staff costs and a provision for anticipated litigation costs of £500,000 (2014: £nil) in the defence of the Illumina claim discussed in the Chairman and Chief Executive Officer's report. There is a resultant operating loss before one-off and non-cash items of £4,835,862 (2014: £1,526,124).

One-off and non-cash items

In July 2014, Premaitha Ltd undertook a reverse transaction into ViaLogy PLC, an AIM-listed cash shell which became Premaitha Health PLC. The re-listing on AIM and associated fundraising exercise incurred costs of £738,604 (2014: £nil), including a share-based payment charge of £56,385 and there is a deemed cost of the reverse acquisition of £964,967 (2014: £nil). In addition, there is a non-cash item in the form of a share-based payments charge of £345,769 (2014: £nil).

Finance income / (costs)

During the period the Group earned interest of £88,005 (2014: £nil) on its cash balances.

Taxation

The loss on ordinary activities before taxation of £6,797,197 (2014: £1,526,124) generated a tax loss the benefit of which will not been recognised until we can be more certain of recoverability.

Foreign exchange

The Group made a gain of £19,558 (2014: £nil) on translation of its foreign subsidiaries to the presentational currency.

Loss per share

The total comprehensive loss of £6,777,639 (2014: £1,565,669) represents a loss per share of 4.0 pence (2014: 4.0 pence).

Balance sheet

At the balance sheet date the Group had total assets of £5,646,481 (2014: £937,025) comprising property, plant and equipment of £1,347,280 (2014: £436,380), R&D tax credits due of £800,454 (2014: £254,259) and current assets – principally cash – of £3,498,747 (2014: £246,386).

Total equity was £3,896,197 (2014: negative £1,557,388) with the accumulated deficit being offset by the reverse acquisition, AIM listing and fundraising exercise in July 2014.

Liabilities were £1,750,284 (2014: £2,494,413), principally in the form of trade payables.

Cashflow

The Group had an opening cash position of £49,850 (2014: £nil) and generated a surplus of £2,659,505 (2014: £49,850). Cash and cash equivalents at the end of the period was £2,709,355 (2014: £49,850).

During the period the Group had a negative cash flow from operating activities of £5,973,222 (2014: negative £1,695,463). Investing activities generated a surplus of £149,023 (2014: negative £521,300) with the ViaLogy PLC residual cash position offsetting purchases of property, plant and equipment. The July 2014 fundraising exercise generated a financing surplus of £7,536,579 (2014: £2,041,608).

Dividends

No dividend is recommended (2014: £nil) due to the early stage nature of the Group.

Capital management

The Board's objective is to maintain a balance sheet that is both efficient at delivering long-term shareholder value and also safeguards the Group's financial position in light of variable economic cycles and the principal risks and uncertainties outlined in this report. As at 31 March 2015 the Group had cash of £2,709,355 (2014: £49,850) with no borrowings (2014: £2,038,133). The Board continues to monitor its balance sheet to ensure it has an adequate capital structure.

Post-balance sheet events

After the balance sheet date the Group filed a robust defence against the Illumina litigation claim as described elsewhere in this report.

The Group also undertook a successful share placement exercise to raise £8,000,000 before commissions and fees. The funds were raised to support the commercial expansion of the IONA® test, the in-house clinical laboratory service offering and for continued development of the IONA® product itself.

Key performance indicators (KPIs)

The Board recognises the importance of KPIs in driving appropriate behaviours and enabling the monitoring of Group performance. For the current financial year the primary KPIs were an on-time launch of the IONA® test and net cash balances. The launch of the IONA® test was achieved on time in February 2015 and cash at the period end was £2,709,355 (2014: £49,850). Going forward the Board will develop appropriate KPIs to drive the commercialisation of the IONA® test, and to ensure robust net cash balances.

Non-executive Directors

David Evans, Chairman & Non-executive Director

David is an entrepreneurial accountant focusing on diagnostic and life science companies. He has successfully brought a number of companies to AIM either directly or via a reverse-takeover using his Chairmanship skills. These have included: Epistem Holdings plc, Omega Diagnostics Group plc, EKF Diagnostic Holdings plc, Scancell Holdings plc, Venn Life Sciences plc, Collagen Solutions plc as well as BBI Holdings plc and Immunodiagnostic Systems plc. He was awarded AIM Non-executive Director of the Year 2009.

Nicholas Mustoe, Non-executive Director

Nick is CEO of Kindred, a fully integrated PR, advertising and social media agency. In 2010 Nick led an MBO of the company he had founded in 1993 after a distinguished career in the PR and advertising sectors. Nick has always had a keen interest in business, backing a range of start-up companies. He is also Chairman of Kempton Park Racecourse and a trustee of charity Starlight Children's Foundation.

Adam Reynolds, Non-executive Director

Adam has been named as one of the fifty most influential people in the City by Growth Company Investor. Adam was the former Chairman of ViaLogy PLC, a company he restructured, and was instrumental in its combination with Premaitha Health in July 2014. Adam has also rescued and re-financed AIM companies including Medavinci, Autoclenz, Optibiotix Health and Admiral which is now EKF Diagnostics plc. Adam retains Board positions and shareholdings in several of these.

Dr Charles Roberts, Non-executive Director

Charles is CEO of Loxbridge Research LLP, a venture pilot investment company specialising in the healthcare and technology sector. He is also CEO of Altermune, working with Nobel Laureate Kary Mullis (inventor of PCR). Charles began his career as a doctor in the UK, having studied medicine and psychology at University of Dundee, University College London and Oxford.

Executive Directors and Senior Management

Dr Stephen Little, Chief Executive Officer

Stephen is a successful serial biotechnology entrepreneur. He is the former CEO of DxS, an innovator in the field of personalised medicine, developing and manufacturing companion diagnostics. DxS was sold to QIAGEN BV in 2009 for £85 million where Stephen became Vice President of Personalised Healthcare. Prior to his leading role at DxS, Stephen worked for 20 years in various senior diagnostics positions in AstraZeneca and ICI. He holds a PhD from Heriot-Watt University in Edinburgh.

Peter Collins, Chief Commercial Officer

Peter is a seasoned executive in the molecular diagnostics arena with a wealth of experience in strategic leadership, business development and commercialisation. Prior to Premaitha, Peter was Vice President, Head of Diagnostics at Glaxo SmithKline. Before GSK, Peter was VP of Pharma Business Development for QIAGEN and its predecessor business DxS. Peter has also held a number of senior roles across the diagnostics industry for start-ups and blue chips. Peter was a founder of EPEMED, a not for profit organisation bringing together global forces in personalised medicine.

Dr William (Pepper) Denman, MB ChB, FRCA, Chief Medical Officer

Dr Denman instructs at Massachusetts General Hospital, specialising in paediatric anaesthesia and medical device development and has significant experience in the clinical aspects of device and diagnostic development. Previously he was CMO at Loxbridge Research LLP, at GE Healthcare with responsibility for patient safety, and at Covidien where he was responsible for strategic direction of medical and clinical affairs and healthcare economics. He studied medicine at the University of Aberdeen.

Barry Hextall, Chief Financial Officer

Barry is a Chartered Management Accountant with over 15 years' experience in senior financial roles, including with AIM-listed organisations. He has managed many international businesses through major changes and rapid growth, and has significant experience working in the medical devices and diagnostic sectors including JRI Orthopaedics Ltd and Immunodiagnostic Systems plc. Barry has a Certificate in Company Direction from the Institute of Directors and an MBA from Cranfield School of Management.

Principal Risks and Uncertainties

There are number of risks and uncertainties associated with the Group's activities. The Board believes the following are the principal risks, along with the mitigation actions being pursued.

Litigation

The Group is currently defending litigation brought against it by Illumina, Inc. in respect of a purported patent breach by the Group. Such litigation may involve the Group's management in focusing its time on the defence of such claim to the detriment of the development of the Group's business. Such litigation may also affect the willingness of potential clients to do business with the Group. In the event that Illumina's claim is successful the Group may be unable to market its products and will have to develop new products before generating further revenue.

The Group has engaged experienced legal practitioners to assist in defending the claim, and based on advice received believes the defence is likely to succeed. The Group is also developing revenue streams in territories where these patents are not present to limit the impact of any negative outcomes.

Patents

The Group is focused on protecting its intellectual property ("**IP**") and seeking to avoid infringing on third parties' IP. To protect its products, the Group has secured and is seeking to secure patents to protect its key products. However, there remains the risk that the Group may face opposition from third parties to patents that it seeks to have granted and that the outstanding patent applications are not granted.

The Group engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Group's IP.

Dependence on key personnel

The Group has a small management team and the future success of the Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Board and key management. However, the retention of such key personnel cannot be guaranteed. The loss of any key personnel, or the inability to attract appropriate personnel could materially adversely impact the Group's business, prospects, financial condition or results of operations.

The Group provides attractive remuneration incentives and an empowering culture to encourage retention of key individuals, as well as recruiting suitable deputies over time.

Third Party Reimbursement

The Group may be adversely affected by third party reimbursement (such as the UK's NHS). The Group may not be able to sell its products profitably if reimbursement from these sources is unavailable or limited. Third party payers are increasingly attempting to contain costs through measures that could impact the products the Group is developing, including challenging the prices charged for products and services, limiting both coverage and the amount of reimbursement for new diagnostics products and services, and denying or limiting coverage for products that are approved by the regulatory agencies but are considered experimental by third party payers.

The Group proactively engages with the clinical community to align its product offering with the best current medical requirements in order to ensure its commercial model is supported by reimbursement regimes as they reach their decisions on NIPT screening in the coming years.

Technology risks

Technologies used within the diagnostics market place are constantly evolving and improving. Therefore there is a risk that the Group's products may become outdated as improvements in technology are made. To mitigate this risk the Group has a research and development department which seeks to keep up with the latest developments in the diagnostic devices industry.

Contracts

There can be no certainty that third parties will perform, or be able to perform, their obligations under various contracts with the Group or that the Group will be able to recover damages for breach of contract. The insolvency of third parties or their default under the terms of such contracts could have a material adverse effect on the Group and its operations. The Group monitors its contractual commitments and outstanding exposures closely.

Competition

There is a risk that the Group's competitors also adopt a product based strategy or achieve greater than expected market penetration with alternative business models. The Group's continuing product development, marketing activities and collaboration with NGS platform providers are designed to ensure that the IONA® test remains at the forefront of the NIPT market.

Changes in Legislation

Changes in laws and legislation affecting the diagnostics market could have a negative impact on the Group's business activities and consequently may have a detrimental effect upon the future trading performance of the Group. The international diagnostics industries are highly regulated by governmental authorities in Europe, the UK and the US and by regulatory agencies in other countries where the Group intends to market products or and where its customers operate. No assurance can be given that the Group's products will successfully obtain any necessary regulatory approvals to market these products. The Group has implemented and proactively manages a quality assurance system to meet regulatory requirements and to ensure ongoing compliance.

In carrying out its activities the Group may potentially face contractual and statutory claims, or other types of claim from customers, suppliers and/or investors. In addition, the Group is exposed to potential product liability risks that are inherent in the research, development, production and supply of its products. The Group retains a suite of insurance policies to protect it from the most likely areas of claim, and undertakes risk management practices to minimise the number of claims arising.

Future funding requirements

In the longer term, the Group may need to raise additional funding to undertake work beyond that being funded by the net proceeds of the July 2014 share placing and the post-balance sheet share issue in July 2015. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, shareholders. To manage this risk the Group monitors its cashflow requirements closely and adjusts activities through its periodic business planning process.

Strategic report signed on behalf of the Board

David Evans
Chairman
21 September 2015

Corporate Governance Report

Introduction

The Company, whose shares are admitted to trading on AIM, is not required to comply with the UK Corporate Governance Code. The Directors fully support high standards of corporate governance and have chosen to make the following disclosures which are deemed to be the most relevant, given the nature, size and scope of the Company's activities. The information in this Corporate Governance Report is not subject to audit.

The role of the Board

The Directors collectively bring a broad range of business experience to the Board which is considered essential for the effective management of the Company. The Board is responsible for strategic and major operational issues affecting the Company. It reviews financial performance, regulatory compliance, monitors key performance indicators and will consider any matters of significance to the Company, including corporate activity. Certain matters can only be decided by the Board and these are contained in the schedule of matters reserved to the Board. The day-to-day management of the Company's business is delegated to the Chief Executive Officer and executive Directors of the Company.

The composition of the Board and division of responsibilities

The Board currently consists of board of a Non executive Chairman, a Chief Executive Officer, two Executive directors and three Non-executive Directors.. The composition of the Board ensures that no single individual or group of individuals is able to dominate the decision-making process. Details of the individual Directors and their biographies are set out on pages 18 to 19.

Roles of Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer have for most of the period been separated to ensure a clear division of authority and responsibility at the most senior level within the Company.

Chairman

Adam Reynolds served as the Chairman until 4 July 2014 after which David Evans took over the role. The Chairman is responsible for the leadership of the Board and ensuring the effective running and management of the Board. He is also responsible for the Board's oversight of the Company's affairs, which includes ensuring that the Directors receive accurate, timely and clear information, ensuring the effective contribution of the Non-executive Directors and implementing effective communication with shareholders.

Chief Executive Officer

Adam Reynolds acted as temporary Chief Executive until 4 July 2014 when Dr Stephen Little took over the role. The Chief Executive Officer is responsible for the day-to-day management and the executive leadership of the business. His other responsibilities include the progress and development of objectives for the Company, managing the Company's risk exposure, implementing the decisions of the Board and ensuring effective communication with shareholders and regulatory bodies.

Non-executive Directors and independence

Throughout the period the board has had four Non-executive Directors. Non-executive Directors bring independent judgement, knowledge and experience to the board. The Non executive Directors have confirmed that they are able to allocate sufficient time to the company to discharge their responsibilities effectively.

Re-election of Directors

In accordance with the Company's Articles of Association all serving directors are subject to re-election every three years. Given the July 2014 appointment of several Directors a shorter rotation schedule has been defined to ensure that at least one-third of Directors are re-elected each year. Once this rotation schedule has run its course then the three year re-election cycle will operate.

Board Meetings and information to the board
Before each board meeting the Directors receive, on a timely basis, comprehensive papers and reports on the issues to be discussed at the meeting. In addition to Board papers, Directors are provided with relevant information between meetings.

The board has regular scheduled meetings. During the period there were nine scheduled meetings.

Board Committees and Senior Independent Director
The Board has three committees, namely the Audit Committee, the Nominations Committee and the Remuneration Committee. In addition it has identified a Senior Independent Director.

Audit Committee
The Audit Committee is chaired by Adam Reynolds with Nicholas Mustoe also a member. The committee is responsible for:

- reviewing the Company's financial reporting process, including the financial statements, reports and announcements and the accounting policies and judgments that underline them, and making recommendations to the Board before release;
- monitoring the statutory audit of the annual accounts;
- monitoring of the independence of the external auditors and the establishment of a policy for their use for non-audit work.

The Committee's activities were reported to the Board throughout the period.

Nominations Committee
The Nominations Committee has delegated responsibility from the Board for identifying and appointing executive directors. David Evans chairs the committee which is also attended by all other non-executive directors. The Committee's activities were reported to the Board throughout the period.

Remuneration Committee
The Remuneration Committee has delegated responsibility from the Board for developing the remuneration policy of the Company and for setting the remuneration of its executive Directors and senior managers. David Evans chairs the committee with Adam Reynolds also a member. The Committee's activities were reported to the Board throughout the period.

Senior Independent Director
The Board has identified Nicholas Mustoe as the Senior Independent Director to provide an alternative contact point for Directors and Shareholders for matters where they do not wish to approach the Chairman directly.

Investor relations
The Company places a great deal of importance on communicating with its shareholders. All shareholders are given at least twenty one days notice of the Annual General Meeting and are encouraged to attend. An opportunity is provided for them to ask questions at the meeting. The Chief Executive Officer is in regular contact with the Company's major institutional investors throughout the period and he is responsible for ensuring that shareholders' views are communicated to the Board as a whole.

This report was approved by the Board of Directors on 21 September 2015 and signed on its behalf by:

David Evans
Chairman
21 September 2015

The Directors present their report together with the audited financial statements for the period ended 31 March 2015.

Results and dividends

The statement of comprehensive loss is set out on page 29 and shows the loss for the period.
The Directors do not recommend a final ordinary dividend for the period (2014 - £Nil).

Directors

David Evans (Appointed 4 July 2014)
Nicholas Mustoe
Adam Reynolds
Dr Charles Roberts (Appointed 4 July 2014)
Dr Stephen Little (Appointed 4 July 2014)
Peter Collins (Appointed 4 July 2014)
Barry Hextall (Appointed 4 June 2015)
Mark Collingbourne (Resigned 4 June 2015)
Dr Sandeep Gulati (Resigned 13 June 2014)
Dr Robert Dean (Resigned 21 March 2014)

The directors of the group held the following beneficial interests in the shares and share options of Premaitha Health Plc at the date of this report:

	Issued Share Capital		Share Options	
	Ordinary shares of £0.10 each	Percentage Held	Ordinary shares of £0.10 each	Option exercise price
David Evans	3,540,636	1.6%	-	-
Nicholas Mustoe	3,909,091	1.7%	591,666	£0.10
Adam Reynolds	2,801,137	1.2%	591,666	£0.10
Dr Charles Roberts	6,339,546	2.8%	-	-
Dr Stephen Little	2,772,727	1.2%	12,055,984	£0.20
Peter Collins	3,522,727	1.5%	5,638,174	£0.20
Barry Hextall	151,762	0.1%	1,000,000	£0.20

Principal activities, trading review and future developments

A detailed review of the business, post reporting date events and likely future developments is given in the Chairman's Statement and the executive reports on pages 9 to 17.

Key performance indicators

The key performance indicators are discussed in the financial report on page 17.

Financial instruments

Details and required disclosure of the financial instruments used by the Group are contained in note 19 of the financial statements.

Events after reporting date

Significant events that have occurred since the reporting date are detailed in the financial report on page 17 and within note 27 of these financial statements.

Risks and uncertainties

The main business risks facing the group are discussed in the principal risks and uncertainties section of this report on pages 20 to 21. Note 19 details further risks and uncertainties faced by the Group.

Donations and political contributions

The Group made no donations or political contributions in the current or prior period.

Qualifying third party indemnity provisions

The Group has arranged qualifying third party indemnity for Directors and Officers Liability insurance for the sum of £3 million, extended to £5m at policy renewal in July 2015.

Going concern

Following its review of the Group's financial plans, the board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements set out on pages 29 to 63 have been prepared on a going concern basis.

Substantial Shareholdings

As at 16 September 2015, the following interests in 3% or more of the issued ordinary share capital appear in the register:

Shareholder	Number of shares	Percentage of issued share capital
Zoragen Biotechnologies LLP	29,373,230	12.9%
Animatrix Capital LLP	21,858,754	9.6%
Ferlim Nominees Limited	14,984,140	6.6%
Reyker Nominees Ltd	12,667,171	5.6%
Loxbridge Research LLP	12,425,510	5.4%
Lynchwood Nominees Limited	11,706,615	5.1%
Smith & Williamson Nominees Limited	8,976,391	3.9%
W B Nominees Limited	7,533,097	3.3%

Statement of Directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 enable them to ensure that the financial statements comply with the requirements of 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.

Auditors

All of the current directors have taken all the steps necessary to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Due to the increasing activities in Manchester, England, the Directors are proposing a resolution to the forthcoming Annual General Meeting to appoint Grant Thornton UK LLP's Manchester office as auditors for the 2016 financial year. Jeffreys Henry LLP have expressed their willingness to ensure an orderly handover and the Directors wish to express their thanks to Jeffreys Henry for their support throughout the reverse takeover process and the first year of Premaitha Health PLC.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

On behalf of the Board
David Evans
Chairman
21 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMAITHA HEALTH PLC

We have audited the financial statements of Premaitha Health PLC (formerly ViaLogy Plc) for the period ended 31 March 2015 which comprise the consolidated income statement, consolidated statement of comprehensive loss, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows, the parent company balance sheet, the parent company cash flow statement, the parent company statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 statement of directors' responsibilities, 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 financial and non-financial information in the Strategic Report, the Chairman's statement, the Chief Financial Officer's report, Corporate governance report, and the Report of the Directors to identify material inconsistencies with the audited financial statements. 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 March 2015 and of the Group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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.

Independent auditor's report to the members of Premaitha Health plc

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Group Directors' report 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.

Sanjay Parmar
SENIOR STATUTORY AUDITOR
For and on behalf of Jeffreys Henry LLP, Statutory Auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom
Date: 21 September 2015

Premaitha Health PLC

Consolidated income statement for the period ended 31 March 2015

	Notes	13 months to 31 March 2015 £	Period to 28 February 2014 £
Continuing Operations			
Revenue	2	**132,267**	102,500
General and administrative expenses	3	**(4,968,129)**	(1,628,624)
AIM IPO costs		**(738,604)**	-
Deemed cost of reverse acquisition		**(964,967)**	-
Share based payments	22	**(345,769)**	-
Administrative expenses		**(7,017,469)**	**(1,628,624)**
Operating loss		**(6,885,202)**	(1,526,124)
Finance income	4	**88,005**	-
Loss on ordinary activities before taxation		**(6,797,197)**	(1,526,124)
Tax on loss on ordinary activities	8	**-**	(39,545)
Loss from continuing operations		**(6,797,197)**	(1,565,669)
Other comprehensive income			
Exchange translation differences		**19,558**	-
Total comprehensive loss		**(6,777,639)**	(1,565,669)
Attributable to :			
Owner of the parent		**(6,777,639)**	(1,565,669)
		(6,777,639)	(1,565,669)
Loss per share			
Basic and diluted (£)	10	**0.04**	0.04

The notes on pages 33 to 53 form part of these financial statements.

Premaitha Health PLC

Consolidated statement of changes in equity

	Share capital £	Share premium £	Merger relief reserve £	Reverse acquisition reserve £	Foreign exchange translation reserve £	Accumulated losses £	Attributable to parent £
Premaitha Ltd							
Balance at 8 March 2013	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(1,565,669)	(1,565,669)
Issue of shares	8,281	-	-	-	-	-	8,281
Balance at 28 February 2014	8,281	-	-	-	-	(1,565,669)	(1,557,388)
Premaitha Health Plc							
Balance at 1 March 2014	12,046,223	22,813,765	-	-	-	-	34,859,988
Issue of shares net of expenses	16,126,910	493,256	954,545	-	-	-	17,574,711
Foreign exchange differences	-	-	-	-	19,558	-	19,558
Share options expense	-	-	-	-	-	402,154	402,154
Reverse acquisition reserve	-	-	-	(40,597,348)	-	-	(40,597,348)
Total comprehensive loss	-	-	-	-	-	(6,797,197)	(6,797,197)
Balance at 31 March 2015	28,173,133	23,307,021	954,545	(40,597,348)	19,558	(7,960,712)	3,896,197

The notes on pages 33 to 53 form part of these financial statements.

Premaitha Health PLC

Consolidated statement of financial position as at 31 March 2015

Company number 3971582	Notes	31 March 2015 £	28 February 2014 £
Assets			
Non-current assets			
Property, plant and equipment	11	1,347,280	436,380
Total non-current assets		1,347,280	436,380
Current assets			
Inventories	13	450,038	-
Trade and other receivables	19	339,354	196,536
Cash and cash equivalents	15	2,709,355	49,850
Tax asset	8	800,454	254,259
Total current assets		4,299,201	500,645
Total assets		5,646,481	937,025
Equity and liabilities attributable to equity holders of the parent company			
Share capital	20	28,173,133	8,281
Share premium	20	23,307,021	-
Merger relief reserve	21	954,545	-
Reverse acquisition reserve	21	(40,597,348)	-
Foreign exchange translation reserve	21	19,558	-
Accumulated deficit	21	(7,960,712)	(1,565,669)
Total equity		3,896,197	(1,557,388)
Liabilities			
Current liabilities			
Trade and other payables	16	1,585,818	312,457
Borrowings	17	-	538,133
Total current liabilities		1,585,818	850,590
Non-current liabilities			
Trade and other payables	16	-	104,278
Borrowings	17	-	1,500,000
Deferred tax liability	18	39,545	39,545
Dilapidations provision	16	124,921	
Total non-current liabilities		164,466	1,643,823
Total equity and liabilities		5,646,481	937,025

The financial statements on pages 29 to 53 were approved by the Board of Directors and authorised for issue on 21 September 2015 and were signed on its behalf by:
David Evans, **Chairman**
The notes on pages 33 to 53 form part of these financial statements.

Premaitha Health PLC

Consolidated statement of cash flows for the year ended 31 March 2015

	Notes	13 months to 31 March 2015	Period to 28 February 2014
			£
Cash flow from operating activities			
Loss before tax		(6,797,197)	(1,526,124)
Adjustments for :			
Finance income	4	(88,005)	-
Deemed cost of reverse acquisition		964,967	-
Depreciation	3	258,413	84,920
Loss on disposals	3	98,707	-
Share option and warrant expense	22	402,154	-
Foreign exchange movements		(11,806)	-
R&D Tax credit	3	(800,454)	(254,259)
Cash flow from operating activities before changes in working capital		(5,973,221)	(1,695,463)
Increase in inventories		(450,038)	-
Increase in trade and other receivables		(52,818)	(191,730)
Increase in trade and other payables		1,195,722	416,735
Net cash flows from operating activities		(5,280,355)	(1,470,458)
Investing activities			
Acquisition, net cash acquired		1,229,128	-
Purchase of property, plant and equipment	11	(1,168,110)	(521,300)
Interest received		88,005	-
Net cash (used in) investing activities		149,023	(521,300)
Financing Activities			
Proceeds from issue of equity instruments		7,074,711	3,475
Net proceeds from borrowing		461,867	2,038,133
Net cash from financing activities		7,536,578	2,041,608
Taxation		254,259	-
Net change in cash and cash equivalents		2,659,505	49,850
Cash and cash equivalents at beginning of period		49,850	-
Cash and cash equivalents at end of period		2,709,355	49,850

The notes on pages 33 to 53 form part of these financial statements.

1 Principal accounting policies

Premaitha Health PLC ('the Company') is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is St James' House, St James Square, Cheltenham, Gloucestershire, England, GL50 3PR. The consolidated financial statements of the Company as at and for the period ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as 'the Group'). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The principal activity of the Group is that of a molecular diagnostics business for research into, and the development and commercialisation of gene analysis techniques for pre-natal screening and other clinical applications in the early detection, monitoring and treatment of disease.

Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union 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. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed below.

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial Period beginning on or after 1 March 2014 that would be expected to have a material impact on the Group.

(b) Standards, interpretations and amendments to published standards that are not yet effective

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Reference	Title	Summary	Application date of standard	Application date of Company
Amendments to IFRS 2, IFRS 3	Amendments resulting from Annual Improvements 2010-12 Cycle	IFRS 2: clarifies definition of vesting conditions IFRS 3: clarifies contingent considerations in a business combination	1 July 2014	1 April 2015
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Clarifies that the treatment of contributions when they are independent of the number of years of service	Periods commencing on or after 1 July 2014	1 April 2015
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015	1 April 2015
IAS 36	Impairment of assets	Limited scope amendments to disclosure requirements	Periods commencing on or after 1 January 2014	1 April 2014
IAS 39	Hedge accounting and novation of derivatives	Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria	Periods commencing on or after 1 January 2014	1 April 2014
IFRIS 21	Accounting for levies imposed by governments	Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy	Periods commencing on or after 1 January 2014	1 April 2014

IFRS 10, IFRS 12, IAS 27	Exception from consolidation for "investment entities"	Amendments have been made to define an "investment entity" and to introduce an exception from consolidation and the required disclosures	Periods commencing on or after 1 January 2014	1 April 2014
IAS 32	Financial instruments: Presentation	Clarifies the requirements for offsetting of financial assets and financial liabilities	Periods commencing on or after 1 January 2014	1 April 2014
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	Periods commencing on or after 1 January 2016	1 April 2016
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures	Periods commencing on or after 1 January 2017	1 April 2017
IFRIC 21	Levies	Provides guidance on when to recognise a liability for government levies	Periods commencing on or after 1 January 2014	1 April 2014

Going concern

Following its review of the Group's financial plans and the fund raising in July 2015, the board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Revenue

Product and service revenues are recognised once the product or report has been delivered to the customer.

Grant income is recognised when all conditions for receiving the grant have been satisfied.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ('the Group') as if they form a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

Non-controlling interests are accounted as a proportionate share of the acquiree's net assets which are at fair value.

In July 2014 Premaitha Health plc acquired via a share for share exchange the entire share capital of Premaitha Limited. Under IFRS 3 'Business combinations' the Premaitha Limited share exchange has been accounted for as a reverse acquisition.

Although the consolidated financial information has been issued in the name of the legal parent Premaitha Health plc, it represents in substance continuation of the financial information of the legal subsidiary Premaitha limited.

The assets and liabilities of the legal subsidiary, Premaitha Ltd are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without restatement of fair value. The retained earnings and other equity balances recognised in the Group financial statements reflect the retained earnings and other equity balances of Premaitha Health plc immediately before the business combination and the results of the period from 1 March 2014 to the date of the business combination are those of Premaitha Ltd.

However, the equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, Premaitha Health plc, including the equity instruments issued in order to effect the business combination; and comparatives numbers presented in the financial statements are the accounts of Premaitha Ltd for the period ended 28 February 2014.

The aggregate deemed fair value of the consideration paid, assets and liabilities acquired and resulting charge to the income statement in respect of the above acquisition is £964,967.

Merger relief reserve

The reserve represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings. The relief is only available to the issuing company securing at least a 90% equity holding in the acquired undertaking in pursuance of an arrangement providing for the allotment of equity shares in the issuing company on terms that the consideration for the shares allotted is to be provided by the issue of equity shares in the other company.

Critical accounting estimates and judgments

The preparation of consolidated financial statements under IFRS requires the Group to make estimates and judgments that effect the application of policies and reported amounts. In applying these policies the directors are required to make estimates and subjective judgements that may affect the reported amounts of assets and liabilities at the reporting date and reported profit or loss for the period. Although the directors base these on combination of past experience and any other evidence that is relevant to the particular circumstance, the actual results could ultimately differ from those estimates.

Included in the note are accounting policies which cover areas that the directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period. These policies together with references to the related notes to the financial statements can be found below:

Share based payments and warrants Note 22

The fair value is measured by use of a Black-Scholes model which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Management are also required to apply their judgement in assessing a reasonable volatility figure to be applied in the model.

Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to the estimates used can result in significant variations in the carrying value.

The Group assesses the impairment of property, plant and equipment subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to property, plant and equipment affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that material different amounts could be reported in the Group's statements.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment at the reporting date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Deferred tax assets

Management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

Contingent liability related to patent infringement

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' a contingent liability should be recognised when a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A claim for patent infringement was made against the Group on 13 March 2015, the Group has recognised a £500,000 provision. The provision made is managements best estimate based on the estimate of fees and probability of recovery.

Research & development

Management makes it best estimate of a research and development tax credit and included in the

accounts was a charge of £800,454 (2014: £254,259) in relation to what management believe the qualifying R&D spend to be. These estimates are subject to challenge by HMRC however a prudent and reasonable estimate has been made for each period.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful lives. Depreciation is applied at the following rates:

Plant and equipment	20-25% straight line
Short leasehold property	20% straight line

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received

Tax

The major components of income tax on the profit or loss from ordinary activities include current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the period end date.

Income tax is charged or credited to the income statement, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of an asset or liability which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that the taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Foreign currency

The functional currency of the parent entity and UK subsidiary is pounds sterling. The functional currency of the US subsidiary is US dollars. Transactions entered into by Group entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of the unsettled monetary assets and liabilities are similarly recognised in the income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date.

Presentation currency

These accounts have been presented in Sterling as the directors consider this to be most useful form of presentation to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group accounting policy for each category is as follows:

Loans and receivables:

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are carried at cost less any provision for impairment.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Group using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities

At initial recognition, financial liabilities (trade and other payables), are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. These financial liabilities are subsequently carried at amortised cost.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

Research and development

Research expenditure is written off to the statement of comprehensive income in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of the individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Group is expected to benefit.

Leasing

Rentals payable under operating leases are charged against the statement of comprehensive income on a straight line basis over the lease term.

Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the period they are payable.

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2 Segmental analysis

The Group has two reportable segments:

- Head office – this segment is the head office of the Group.
- Operations – this segment is involved in a molecular diagnostics business in the UK, and sales technology development in the USA

The operating results of these segments are regularly reviewed by the Group's chief operating decision maker in order to make decisions about the allocation of resources and assess their performance.

2015 Reportable segment analysis	Operations £	Head office £	Consolidated £
Revenue from external customers	132,267	-	132,267
Finance income	76,864	11,141	88,005
Loss for the period after taxation	(5,472,139)	(1,325,058)	(6,797,197)
Segment assets	3,145,582	2,501,299	5,646,481
Segment liabilities	(1,721,409)	(28,875)	(1,750,284)
Costs to acquire plant, property and equipment	(1,168,110)	-	(1,168,110)
Depreciation and amortisation	(258,413)	-	(258,413)
Share and warrant based payments charged	-	(402,154)	(402,154)

2014 Reportable segment analysis	Operations £	Head office £	Consolidated £
Revenue from external customers	102,500	-	102,500
Finance income	-	-	-
Loss for the period after taxation	(1,565,669)	-	(1,565,669)
Segment assets	937,025	-	937,025
Segment liabilities	1,643,823	-	1,643,823
Costs to acquire plant, property and equipment	521,300	-	521,300
Depreciation and amortisation	84,920	-	84,920
Share based payments charged	-	-	-

All material non-current assets are owned by Premaitha Ltd and are located in the UK.

External revenues by product / service	2015 £	2014 £
Grant income	127,500	102,500
Services	4,767	-
	132,267	102,500

Notes forming part of the consolidated financial statements for the period ended 31 March 2015

3 Loss for the period before taxation

Costs by nature	2015 £	2014 £
Employees and directors (note 6)	1,478,765	523,004
Research and development	1,847,546	381,003
R&D Tax credit	(800,454)	(254,259)
Depreciation of property, plant and equipment (note 11)	258,413	84,920
Loss on disposal of property, plant and equipment	98,707	-
Foreign exchange differences	38,010	322
Operating lease rentals	88,411	45,035
Auditors remuneration-audit (parent company only £20,000)	30,000	2,000
Auditors remuneration-other	2,500	1,850
Travel expenses	200,468	120,174
Consultancy	441,038	340,612
Legal and professional fees	298,772	69,000
Provision for Illumina legal challenge	500,000	-
Other expenses	485,953	314,963
	4,968,129	1,628,624

4 Finance Income

	2015 £	2014 £
Interest received	88,005	-

5 Company profit and loss account

Premaitha Health PLC has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these accounts. The Company's loss after tax was £1,325,058 (2014 – loss £10,944,146) which is dealt with in the financial statements of the parent company for the year ended 31 March 2015.

6 Employees and directors

The average monthly number of employees during the period:

	2015 Number	2014 Number
Directors	6	5
Administrative	6	2
Research and development	13	-
	25	7

	2015 £	2014 £
Salaries (including directors)	1,334,866	474,239
Social security costs	116,778	36,298
Pension costs	27,121	12,467
Employee and directors cost (note 3)	1,478,765	523,004
Share based payment charge (relating to employees)	345,769	-
	1,824,534	523,004

7 Directors

	2015 £	2014 £
Directors emoluments	403,496	149,286
Share based payment charge	224,537	-
Total emoluments	628,033	149,286

The remuneration of the directors during the period was as follows:

	Salaries	Share Based Payment	Fees	Total 2015	Total 2014
	£	£	£	£	£
Peter Collins	-	39,187	113,998	153,185	-
Dr Stephen Little	90,000	73,366	44,248	207,614	149,286
Mark Collingbourne	-	37,328	57,750	95,078	-
Dr Charles Roberts	18,750	-	-	18,750	-
Adam Reynolds	-	37,328	37,500	74,828	-
Nicholas Mustoe*	-	37,328	18,750	56,078	-
David Evans	-	-	22,500	22,500	-
	108,750	224,537	294,746	**628,033**	149,286

The directors listed above are deemed to be the key management personnel of the Group.

Emoluments of the highest paid director were £207,614 (2014: £121,127). Not included in the above was a fee of £25,000 and a fee of £20,000 paid to Adam Reynolds and Mark Collingbourne in respect of consultancy services for the reverse acquisition.

*For disclosure in relation to Nick Mustoe's fees please refer to note 24

8 Taxation on profits from ordinary activities

	2015	2014
	£	£
UK Corporation tax for the period	-	-
Deferred tax	-	39,545
	-	39,545

The reason for the difference between the actual tax credit for the period and the standard rate of corporation tax in the UK applied to losses for the period are as follows:

Factors affecting the tax charge for the period	2015 £	2014 £
Loss on ordinary activities before taxation	(6,797,197)	(1,526,124)
UK corporation tax of 20.00%	(1,359,439)	(305,225)
Effects of:		
Depreciation	51,683	16,984
Non-deductible expenses	251,286	819
Capital allowances	(132,595)	(55,157)
R&D tax credit	(160,091)	(49,000)
Tax losses carried forward	1,349,156	391,579
Current tax credit	-	-

The Research and development tax credit of £800,454 (2014:£254,259) is shown as a deduction against general administrative expenses.

The Group is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included within the statement of financial position. Deferred tax assets and liabilities are measured using substantially enacted tax rates expected to apply when the temporary differences reverse. Management judgement is required to determine the total provision for income tax. Amounts accrued are based on management's interpretation of country specific tax law and the likelihood of settlement.

Factors that may affect future tax charges

The Group has estimated trading losses of £2,463,894 (2014: £829,565), estimated excess management fees of £5,251,864 (2014: £nil) and capital losses of £1,934,399 (£nil).

The tax losses have resulted in a deferred tax asset of approximately £1,930,031 (2014: £165,913) which has not been recognised as it is uncertain the future taxable profits will be sufficient to utilise the losses.

ViaLogy LLC may be entitled to further tax losses. The maximum amount of losses available is $6,000,000, however this is subject to an annual limitation which is estimated at $250,000 per year. At the reporting date the accrued potential losses claimable are estimated at $2,000,000 (2014: $1,750,000). The losses disclosed in relation to the US have not been agreed with the US taxation authorities and thus are the best estimate of management as at 31 March 2015.

9 Presentational adjustment

The company has made a presentational adjustment to show the R&D tax credit of £254,259 as an administrative expense for the period ended 28 February 2014.

10 Loss per share

Basic

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of the parent company for the period of £6,777,639 (2014: loss £1,565,669) by the weighted average number of ordinary shares in issue during the period 151,891,657 (2014:37,950,675).

Diluted

Diluted earnings per share dilute the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share operations and warrants into ordinary shares. 30,488,332 options (2014: nil) have been excluded from this calculation as the effect would be anti-dilutive.

11 Plant, property and equipment

	Short leasehold property £	Plant and equipment £	Total £
Cost			
At 8 March 2013	-	-	-
Additions	102,887	418,413	521,300
At 28 February 2014	**102,887**	**418,413**	**521,300**
Additions	335,567	832,543	1,168,110
Additions on reverse acquisitions	-	606,826	606,826
Disposals	-	(601,178)	(601,178)
Foreign exchange movements	-	(3,853)	(3,853)
At 31 March 2015	**438,454**	**1,252,751**	**1,691,205**
Depreciation			
At 8 March 2013	-	-	-
Charge for the period	6,859	78,061	84,920
At 28 February 2014	**6,859**	**78,061**	**84,920**
Charge for the period	58,455	199,958	258,413
Additions on reverse acquisition	-	503,063	503,063
Disposals	-	(502,471)	(502,471)
At 31 March 2015	**65,314**	**278,611**	**343,925**
Net book value			
At 31 March 2015	**373,140**	**974,140**	**1,347,280**
At 28 February 2014	**96,028**	**340,352**	**436,380**
At 8 March 2013	-	-	-

12 Subsidiaries

Premaitha Health PLC has two US subsidiaries, ViaLogy LLC and Vialogy Energy Corp. ("VEC"), which have been included in these consolidated financial statements: ViaLogy LLC is a company whose principal activity is developing applications for its patented Quantum Resonance Interferometry (QRI) technology. QRI is a technology which separates the background 'noise' that envelopes weak signals. On 12 February 2014, Vialogy LLC sold to VEC its licence to use QRI together with some fixed assets and contracts.

On 12 February 2015 the license assets and contracts reverted to Vialogy LLC as the terms of the contract had not been fulfilled.

Premaitha Limited is a UK subsidiary whose principal activity is that of a molecular diagnostics company employing next generation DNA analysis technology to develop, manufacture and sell molecular diagnostic products intended to have a major beneficial impact on human health.

Name	Country of incorporation	Country of operation	Holding	Proportion of ownership interest and share capital held
Premaitha Limited	UK	UK	Direct	100%
ViaLogy LLC	USA	USA	Direct	100%
Vialogy Energy Corp.	USA	USA	Indirect	75%

13 Inventories

	2015	2014
	£	£
Finished goods	450,038	-

14 Trade and other receivables

	2015	2014
Current	£	£
Other receivables	211,164	75,153
Accrued income	-	60,000
Prepayments	128,190	61,383
	339,354	196,536

There has been no provision made for doubtful receivables, as the Board consider all receivables to be recoverable.

The book values of trade and other receivables approximate to the fair values.

15 Cash and cash equivalents

	2015	2014
	£	£
Cash at bank and on hand	593,948	49,850
Short term bank deposits	2,115,407	-
Cash and cash equivalents	2,709,355	49,850

16 Trade and other payables

	2015	2014
Current	£	£
Trade payables	937,472	283,093
Other tax and social security	67,482	16,076
Other payables	21,317	-
Accruals and deferred income	559,547	13,288
	1,585,818	312,457
Non-current		
Accruals and deferred income	-	104,278
Dilapidations	124,921	
	124,921	104,278

Dilapidations provision

As part of the Group's property leasing arrangements there is an obligation to return the premises in the same state that they were received and repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2015 and 2021 as the leases terminate.

	Dilapidations
	£
At 1 April 2013 and 2014	-
Capitalised in cost of short leasehold property	124,921
Amounts utilised	-
At 31 March 2015	124,921

The book value of trade and other payables approximate to the fair values. See note 19 for maturity analysis.

17 Borrowings

	2015	2014
Unsecured	£	£
Loans from related parties	-	538,133
Secured		
Loans from related parties	-	1,500,000
	-	2,038,133
Current borrowings	-	538,133
Non current borrowings	-	1,500,000
	-	2,038,133

The secured loan provided by Animatrix Finance Limited was secured by way of a fixed and floating charge over the assets of the company. Both the secured and unsecured loans accrued interest at 12% and were settled as part of the reverse acquisition which took place on 4 July 2014.

18 Deferred tax liability

The deferred tax liability is in respect of other timing differences and the movement on the deferred tax account is as shown below:

	2015	2014
	£	£
Brought forward	39,545	-
Profit and loss account	-	39,545
Balance at the end of the period	39,545	39,545

19 Financial instruments

Principal financial instruments

The principal instruments used by the Group, from which the financial instrument risk arises, include cash and cash equivalents, trade receivables, trade payables and borrowings.

A summary of the financial instruments held by category is shown below:

Categories of financial assets

	2015	2014
	£	£
Current financial assets		
Loans and receivables	-	-
Cash and other equivalents	2,709,355	49,850
Total current financial assets	2,709,355	49,850

Categories of financial liabilities

	2015	2014
	£	£
Current financial liabilities		
Trade and other payables	937,472	283,093
Borrowings – current	-	538,133
- non current		1,500,000
Total other financial liabilities	937,472	2,321,226

Financial instruments continued

Risk and sensitivity analysis

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group and Company are exposed through their operations to one or more of the following financial risks: foreign currency risk, liquidity risk, credit risk, investment risk and interest rate risk. The policy for managing these risks is set by the Board and all such risks are managed at a Group level within the organisation. There have been no changes in the way the Group and Company manages risks from previous years. The policies for these risks are described further below:

Foreign currency risk

Foreign currency risk arises because the Group has balances denominated in foreign currencies. It also has operations located in the USA whose functional currency is not the same as the parent company's functional currency (sterling). The net assets from such overseas operations are exposed to currency risk giving rise to gains or losses on retranslation to sterling for the purposes of the consolidated financial statements. In the future it is planned that the foreign exchange risk will be mitigated by sales in US dollars.

The table below shows the split between currencies that balances are denominated in:

2015	US$	EUR	GBP	Total GBP
Trade and other receivables	-	-	-	-
Cash and cash equivalents	62	260,726	2,448,567	2,709,355
Trade and other payables	1,491	-	935,981	937,472

2014	US$	EUR	GBP	Total GBP
Trade and other receivables	-	-	-	-
Cash and cash equivalents	-	-	49,850	49,850
Trade and other payables	-	-	283,093	283,093
Borrowings	-	-	2,038,133	2,038,133

Liquidity risk

Liquidity risk is the risk that the company fails to have sufficient funds to meet its debts as they become due. The liquidity risk of the Group is managed centrally. The Group holds funds in short-term bank deposits so that they are available when required.

Interest rate risk

The Group's interest rate risk arises from interest bearing assets and liabilities. The Group has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest; offsetting where possible, cash balances and by forecasting and financing its working capital requirements.

Maturity analysis of financial liabilities

Financial liabilities are due for payment as follows:

	2015 £	2014 £
Due:-		
Current	937,472	821,266
Non-Current	-	1,500,000
	937,472	2,321,226

The Board believe the current level of financial liabilities to be in line with expectations. The level of cash balances and trade and other receivables is sufficient to discharge the Group's financial liabilities.

Credit Risk

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

The Group's maximum exposure to credit risk by class of financial instruments amounts to their carrying value of £2,709,355 (2014 £49,850). The Group deems that entities from whom credit exposure arises are of adequately strong credit quality and will therefore be able to pay the amounts due when they arise.

Investment risk

Investment risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Group is exposed to interest rate risk from its interest earning financial assets. The floating rate assets are held in a money market account earning interest at Bank of England base rate less 0.3%. The interest rate risk is mitigated by the fact cash is held in short-term deposits allowing rapid transfer of funds to alternative commercial banks to obtain improved interest rates. There are no financial assets earning interest at fixed rates.

Capital

As described in note 20 the Group considers its capital to comprise its ordinary share capital, share premium and accumulated deficit as its capital reserves. In managing its capital the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to commercialise the development which has been undertaken to date, through major sales in a number of markets.

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

20 Share capital

	Ordinary shares of £0.1 each (Premaitha Health Limited £0.01p each)		Deferred shares of £0.009 each			
	Number	Nominal value £	Number	Nominal Value £	Share premium £	Total consideration £
Premaitha Limited						
Balance at 8 March 2013	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-
Issue of shares	828,100	8,281	-	-	-	8,281
Balance at 28 February 2014	828,100	8,281	-	-	-	8,281
Premaitha Health Plc						
Balance at 1 March 2014	2,689,460,366	2,689,461	1,039,640,244	9,356,672	22,813,765	34,859,988
Shares consolidation	(2,662,565,762)	-	-	-	-	-
Shares issued	161,269,105	16,126,910	-	-	493,256	16,620,166
Balance at 31 March 2015	188,163,709	18,816,371	1,039,640,244	9,356,762	23,307,021	51,480,154

On 4 July 2014 through an ordinary resolution the Company's share capital was reorganised as follows:

– Every 100 Ordinary shares held by a shareholder was consolidated into 1 Ordinary share of £0.10

The Company issued 95,545,545 new Ordinary shares of £0.10 each at £0.11, 59,090,909 Ordinary shares of £0.10 each at £0.11 by way of a placing and 6,723,651 Ordinary shares of £0.10 each at £0.11 by way of an open offer to acquire the share capital of Premaitha Health Limited.

All ordinary shares in issue have equal voting rights and rights to dividends or other distributions. The deferred shares rank equally in all respects but do not have any voting rights or rights to receive dividends or other distributions and will not have any return on capital on a winding up.

21 Reserves

The following describes the nature and purpose of each reserve within shareholders' equity:

Reserve	Description and purposes
Share premium	Amount subscribed for share capital in excess of nominal value.
Accumulated deficit	Cumulative net gains and losses recognised in the consolidated income statement. The share option expense is recognised directly through the retained deficit reserve.
Foreign exchange translation reserve	Exchange difference arising on translation of foreign operations.
Share based payments reserve	Cumulative amounts charged in respect of share based payments for share options and warrants issued.
Merger relief reserve	Represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings.
Reverse acquisition reserve	Effect on equity of the reverse acquisition of Premaitha Limited.

22 Share-based payment

The Group operates two equity settled share based remuneration schemes for employees: an inland revenue approved EMI scheme and an unapproved scheme, jointly known as the "option scheme". Under the scheme employees may be granted options to purchase shares, which vest over varying periods up to three years and must be exercised within 10 years from the date of grant.

The exercise price of options outstanding at the end of the year ranged between 10p and 242p and their weighted average contractual life was 8.9 years (2014: 5.7 years).

Of the total number of options outstanding at the end of the year 3,302 (2014: 8,119,895) had vested and were exercisable at the end of the year at a weighted average exercise price of 100p. (2014: 0.1p).

The weighted average fair value of each option granted during the year was 10p (2014: 1.45p).

The Black-Scholes method was used to calculate the fair value of options at the date of grant. The volatility assumption, measured as the standard deviation of expected share price returns is based on analysis of daily share prices over a three year period. The table below lists the inputs to the model used for options granted during the year.

	2015	2014
Weighted average share price	11.14p	1.57p
Volatility	70%	70%
Dividend Yield	0	0%
Risk- free interest rate	0.25%	0.25%
Weighted average exercise Price	10p	0.1p
Expected option life	5 years	5years

Notes forming part of the consolidated financial statements for the period ended 31 March 2015

Share and warrant based payment expense for the period	2015	2014
	£	£
Options issued to employees of parent	185,350	21,594
Options issued to employees of subsidiary	160,239	29,725
	345,769	51,319
Warrants issued for services received	56,385	
	402,154	51,319

The warrant based payment of £56,385 issued for services received has been included in with AIM IPO costs on the consolidated income statement.

Share Options

At 31 March 2015, the following share options were outstanding in respect of Ordinary shares:

Number of Options	Exercise Period	Excercise Price (pence)
		£
27,963,796	September 2015 to September 2024	0.10
2,481,995	March 2014 to March 2019	0.10
3,302	October 2006 to October 2016	1.00
13,681	December 2012 to December 2022	2.25
25,558	November 2012 to November 2022	2.42
30,488,332		

Share options vest over differing periods from date of issue to three years.

	2015 Weighted average Exercise price	2015 Number	2014 Weighted average Exercise price	2014 Number
Outstanding at start of period	£1.50	2,619,165	£0.028	125,535,913
Granted during the period	£0.10	27,963,796	£0.001	248,119,893
Forfeited during the period	£2.39	(94,629)	£0.028	(111,739,260)
Exercised during the period	-	-	-	-
Outstanding at end of period	£0.11	30,488,332	£0.015	261,916,546

The options shown at the start of the period for 2015 have been revised to take account of the share consolidation

The options held by the directors at the beginning and end of the year are as detailed below

	At 1 April 2014	Awarded	Lapsed	At 31 March 2015	Exercise price	Earliest date of exercise	Latest date of exercise
Adam Reynolds							
-Unapproved scheme	591,666	-	-	591,666	10p	19/03/14	19/03/19
Nick Mustoe							
-Unapproved scheme	591,666	-	-	591,666	10p	19/03/14	19/03/19
Stephen Little							
-EMI Scheme	-	2,500,000	-	2,500,000	10p	03/09/2015	03/09/2014
Unapproved scheme	-	8,055,984	-	8,055,984	10p	03/09/2015	03/09/2024
		10,555,984		10,555,984			
Peter Collins							
-Unapproved scheme	-	5,638,174	-	5,638,174			

The options shown for Adam Reynolds and Nick Mustoe reflect the share consolidation which took place on 4 July 2014.

No directors have exercised share options during the period.

The options held by directors at the beginning and end of the previous year are as detailed below

	At 1 April 2013	Awarded	Lapsed	At 31 March 2014	Exercise price	Earliest date of exercise	Latest date of exercise
Adam Reynolds							
-Unapproved scheme	-	591,666	-	591,666	10p	19/03/14	19/03/19
Nick Mustoe							
-Unapproved scheme	-	591,666	-	591,666	10p	19/03/14	19/03/19

Warrants

The company issued 2,822,454 as part of a share placing on 4 July 2015. The warrants have a conversion price of 11p per share. The Black-Scholes method was used to calculate the fair value of warrants at the date of grant for those warrants issued during the year. The volatility assumption, measured as the standard deviation of expected share price returns is based on analysis of daily share prices over a three year period. The table below lists the inputs to the model used for warrants granted during the year.

	2015	2014
Share price	£0.11	-
Volatility	70%	-
Dividend Yield	0%	-
Risk- free interest rate	0.25%	-
Expected warrant life	3	-

At 31 March 2015, the following warrants were outstanding in respect of Ordinary shares:

Number	Exercise Period	Exercise Price
1,411,427	July 2015 to July 2017	£0.11
1,411,427	July 2015 to July 2017	£0.11

There are no conditions attached to the warrants. The warrants have been valued on a consistent basis to the share options as detailed above.

23 Leases

Operating leases

At the period end the Group is committed to making the following payments under non-cancellable operating leases:

	2015	2014 restated
	£	£
Total amounts payable		
Within 1 year	108,819	55,542
Between 2-5 years	-	65,579
	108,819	121,121

24 Related party transactions

Key management personnel are considered to be the directors; their emoluments are disclosed in note 7.

Animatrix Finance Limited, Loxbridge LLP, Animatrix Capital LLP, Origin Sciences Limited and Zoragen Biotechnologies LLP were all under common control with Premaitha Limited prior to the reverse acquistion.

At the period end, Premaitha Limited owed £nil (2014: £2,038,133) to Animatrix Finance Limited in respect of amounts outstanding on secured and unsecured loans. Interest of £nil (2014: £110,282) accrued on these loans during the period remained outstanding at the period end.

During the period Animatrix Capital LLP invoiced Premaitha Limited £nil (2014: £46,100) for management fees, £nil (£2014: £17,725) for consultancy services, £nil (2014: £13,875) for recharged costs and £7,738 (2014: £nil) for legal and professional services. At the period end £nil (2014: £31,338) was due to Animatrix Capital LLP in respect of these costs and £nil (2014: £2,586) was due from Animatrix Capital LLP in respect of unpaid share capital.

During the period Loxbridge Research LLP invoiced Premaitha Limited £62,341 (2014: £112,789) for consultancy services and £74,248 (2014: £149,286) of recharged salary costs. At the period end, £7,469 (2014: £88,189) was due to Loxbridge Research LLP in respect of these costs and £nil (2014: £1,470) was due from Loxbridge Research LLP in respect of unpaid share capital.

During the period Origin Sciences Limited invoiced Premaitha Limited £nil (2014: £49,767) of consultancy fees. At the period end, £nil (2014: £267) was due to Origin Sciences Limited in respect of these costs.

During the period Zoragen Biotechnologies LLP recharged £7,614 (2014: £400,299) of costs to Premaitha Limited. At the period end, £nil (2014: £3,755) was due to Zoragen Biotechnologies LLP in respect of these costs.

During the period W Denman, a director of Premaitha Limited, invoiced the Group £99,655 (2014: £81,205) for consultancy services. At the period end £2,070 (2014: £4,588) was due to W Denman respect of these costs.

During the period P Collins, a director of the Company, invoiced the Group £113,998 for consultancy services. At the period end £11,960 (2014: £nil) was due to P Collins in respect of these costs.
During the period the Company was charged £77,750 (2014: £nil) in relation to M Collingbourne's directors fees by Morrison Kingsley Consultants Limited. There was no balance outstanding in relation to these fees.
During the period the Company was charged £52,500 (2014: £nil) in relation to A Reynolds' director's fees by Reyco Limited. There was no balance outstanding in relation to these fees.
During the period the Company was charged £18,750 (2014: £nil) in relation to consultancy fees by Kindred Agency Limited for the provision of services by Nick Mustoe. There was no balance outstanding in relation to these fees.

All services were charged on an arm's length basis.

25 Business Combination – Reverse acquisition

Reverse acquisition of Premaitha Health Plc and its subsidiaries.

On 4 July 2014, Premaitha Health Plc acquired Premaitha Limited for a total consideration of £9,545,455 satisfied by the issue of 95,454,545 Ordinary Shares of 10p each and 11p each.

In the group accounts the transaction has been accounted for as reserve acquisition in accordance with the principle of IFRS3. The legal subsidiary is identified as the acquirer, and the fair value of consideration deemed is £2,308,094. The Legal parent is identified as the subsidiary. Therefore no goodwill has arisen. The aggregate deemed fair value of the net assets acquired were £1,343,127 mostly represented by cash at bank of £1,229,128 and fixed assets of £108,763. The resulting charge to the income statement in respect of the above acquisition was £964,967.

26 Ultimate controlling party

The Company does not have an ultimate controlling party.

27 Events after the reporting period

On 2 July 2015 the Company issued 40,000,000 new Ordinary shares of £0.10 each at £0.20 raising £8 million before expenses.

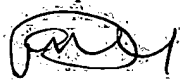
On 14 July 2015 the Company granted options over 5,500,000 ordinary shares in the Company to certain directors and employees. The options have an exercise price of £0.20 per share and expire after 10 years. They are subject to the following vesting conditions: (i) options only vest if there is a positive movement in earnings per share; and (ii) options become exercisable in respect of one third of the ordinary shares over which they are granted on the first, second and third anniversaries of the original date of grant.

Premaitha PLC

Parent Company balance sheet as at 31 March 2015

Company number 3971582	Notes	31 March 2015	31 March 2014
		£	£
Assets			
Non-current assets			
Intangible assets		-	-
Property, plant and equipment	3	962	1,202
Investments	4	10,500,000	-
Net amounts due from subsidiaries		5,095,015	-
Total non-current assets		15,595,977	1,202
Current assets			
Trade and other receivables	5	206,575	41,586
Cash and cash equivalents		2,295,742	1,360,916
Total current assets		2,502,317	1,402,502
Total assets		18,098,294	1,403,704
Equity and liabilities attributable to equity holders of the parent company			
Share capital	7,8	28,173,133	12,046,223
Share premium	8	23,307,021	22,813,765
Merger relief reserve	8	954,545	-
Retained earnings	8	(34,432,521)	(33,509,617)
Total equity		18,002,178	1,350,371
Liabilities			
Current liabilities			
Trade and other payables	6	96,116	53,333
Total current liabilities		96,116	53,333
Total equity and liabilities		18,098,294	1,403,704

The financial statements on pages 54 to 60 were approved by the Board of Directors and authorised for issue on 21 September 2015 and were signed on its behalf by:



David Evans

Chairman

Premaitha PLC

Parent Company statement of changes in equity as at 31 March 2015

	Share capital	Share premium	Merger relief reserve	Warrant reserve	Accumulated losses	Attributable to parent
	£	£	£	£	£	£
Balance at 1 April 2013	10,391,069	22,733,906	-	225,000	(22,616,790)	(10,733,185)
Loss for the period	-		-	-	(10,994,146)	(10,944,146)
Lapse of warrants	-	225,000	-	(225,000)	-	-
Issue of shares	1,655,154	1,333	-	-	-	1,656,487
Share issue expenses	-	(146,474)	-	-	-	(146,474)
Share options expense	-	-	-	-	51,319	51,319
Balance at 31 March 2014	**12,046,223**	**22,813,765**	-	-	**(33,509,617)**	**1,350,371**
As at 1 April 2014	12,046,223	22,813,765	-	-	(33,509,617)	1,350,371
Shares issued	16,126,910	493,256	954,545	-	-	17,574,711
Foreign exchange differences	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(1,325,058)	(1,325,058)
Share options and warrant based payment	-	-	-	-	402,154	402,154
As at 31 March 2015	28,173,133	23,307,021	954,545	-	(34,432,521)	18,002,178

Premaitha PLC

Parent Company cash flow statement as at 31 March 2015

	Year to 31 March 2015 £	Year to 31 March 2014 £
Cash flow from operating activities		
Loss before tax	(1,325,058)	(10,944,146)
Adjustments for :		
Finance income	(143,076)	(1,257)
Depreciation	240	592
Share option expense	402,154	51,319
Provision of investments and intercompany loans	-	9,519,140
Cash flow from operating activities before changes in working capital	(1,065,740)	(1,374,352)
(Increase)/Decrease in trade and other receivables	(5,260,004)	57,514
Increase/(Decrease)/ in trade and other payables	42,783	(26,170)
Net cash flows from operating activities	(6,282,961)	(1,343,008)
Investing activities		
Purchase of property, plant and equipment	-	(1,794)
Interest received	143,076	1,257
Net cash from investing activities	143,076	(537)
Financing Activities		
Cash inflow from issue of new shares	7,074,711	1,510,012
Net cash from financing activities	7,074,711	1,510,012
Increase in cash and cash equivalents	934,826	166,467
Cash and cash equivalents at beginning of period	1,360,916	1,194,449
Cash and cash equivalents at end of period	2,295,742	1,360,916

1 Accounting policies

This financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and UK Generally Accepted Principles (UK GAAP). The comparatives numbers presented are those the Company for the year ended 31 March 2014.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment - 20% per annum, reducing balance

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment at the balance sheet date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. The investments are reviewed for impairment at the balance sheet date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where share based options are awarded to employees of subsidiaries the charge in respect to the share based payments is treated as a capital contribution and forms part of the investment in that subsidiary.

Warrants

The company issued 2,822,454 as part of a share placing on 4 July 2015. The warrants have a conversion price of 11p per share. The Black-Scholes method was used to calculate the fair value of warrants at the date of grant for those warrants issued during the year, as shown in note 22 of the consolidated financial statements.

Foreign currency

The functional currency of the Company is Pounds Sterling. Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Critical accounting estimates and judgments

The preparation of the company's financial statements requires the Company to make estimates and judgments that effect the application of policies and reported amounts. In applying these policies the directors are required to make estimates and subjective judgements that may affect the reported amounts of assets and liabilities at the reporting date and reported profit or loss for the period. Although the directors base these on combination of past experience and any other evidence that is relevant to the particular circumstance, the actual results could ultimately differ from those estimates.

Included in the note are accounting policies which cover areas that the directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period. These policies together with references to the related notes to the financial statements can be found below:

Share based payments and warrants Note 9

The fair value is measured by use of a Black-Scholes model which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Management are also required to apply their judgement in assessing a reasonable volatility figure to be applied in the model.

Impairment and investments

Investments are held subject to impairment review. The Group's management undertakes an impairment review annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

The Directors have carried out a detailed impairment review in respect of investments. The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering the net present value of discounted cash flow forecasts which have been discounted. The cash flow projections are based on the assumption that the Group can realise projected sales. A prudent approach has been applied with no residual value being factored.

2 Staff costs

The average number of employees during the period, including executive directors were:

	2015 Number	2014 Number
Directors	5	2

Staff costs (including directors) comprise

	2015 £	2014 £
Wages and salaries	108,750	170,546
Share based payment expense	345,769	21,594
Pension Contributions	-	4,000
Employers national insurance contributions and similar taxes	13,487	9,735
Directors fees	174,500	-
	642,506	205,875

Emoluments of the highest paid director were £207,614 (2014: £121,107).

3 Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 April 2014	1,794	1,794
At 31 March 2015	1,794	1,794
Depreciation		
At 1 April 2014	592	592
Charge for the period	240	240
At 31 March 2015	832	832
Net book value		
At 31 March 2015	962	962
At 31 March 2014	1,202	1,202

4 Investments

	Investment in subsidiary £
Cost	
At 1 April 2014	12,503,793
Additions	10,500,000
At 31 March 2015	23,003,793
Provision	
At 1 April 2014	12,503,793
At 31 March 2015	12,503,793
Net book value	
At 1 April 2014	-
At 31 March 2015	10,500,000

Notes forming part of the parent company financial statements

5 Debtors

	2015	2014
	£	£
Accounts receivable	184,198	-
Other debtors	2,135	41,586
Prepayments and accrued income	20,242	-
	206,575	41,586

6 Creditors: amounts falling due within one period

	2015	2014
	£	£
Accounts payable	24,749	-
Accruals and deferred income	38,333	53,333
Other creditors	33,034	-
	96,116	53,333

7 Called up share capital

For details of share capital see note 20 of the consolidated financial statements.

8 Reserves

	Share capital	Share premium	Merger relief reserve	Accumulated Losses
	£	£	£	£
At 1 April 2014	12,046,223	22,813,765	-	(33,509,617)
Arising on issue of shares	16,126,910	493,256	954,545	-
Loss for the period	-	-	-	(1,325,058)
Share options and warrant expense	-	-	-	402,154
At 31 March 2015	28,173,133	23,307,021	954,545	(34,432,521)

9 *Share-based payments*

As detailed in note 22 to the consolidated financial statements the company issues share options and warrants to both its own employees and employees of its subsidiary.

10 Related party transactions

Refer to note 24 to the consolidated financial statements.

11 Ultimate controlling party

The Company does not have an ultimate controlling party.

12 Events after the reporting period

Refer to note 27 to the consolidated financial statements.

Premaitha Health PLC

Glossary of technical terms and measurements

The following provide an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

ASHG	American Society of Human Genetics
Circulating DNA	Cell free DNA found at low levels in blood samples
Combined test	This test is performed at around 11 weeks of pregnancy (but any time between 10 and 13 weeks is acceptable). It consists of a blood sample and an ultrasound examination.
CQC	Care Quality Commission; an independent regulator of health and social care in England.
CVS	Chorionic villus sampling, an invasive procedure carried out during pregnancy to check if a fetus has a genetic disorder, such as Down's syndrome. It involves removing and testing a small **sample** of cells from the placenta.
DNA	Deoxyribonucleic acid
ESHG	European Society of Human Genetics
FDA	US Food and Drug Administration
FIGO	International Federation of Gynecology and Obstetrics
the IONA® test	The first CE-marked IVD NIPT prenatal screening product developed by Premaitha.
IVD	*in vitro* diagnostic; a diagnostic device intended for the analysis of specimens derived from the human body.
LDT	Laboratory developed test (not regulated, not diagnostic, for research use only).
Next Generation Sequencing	A generic term for methods of DNA sequencing characterised by very high throughputs producing thousands or millions of sequences concurrently.
NIPT	Non-invasive prenatal test
NT	Nuchal translucency is a collection of fluid under the skin at the back of a fetus' neck. It can be measured using ultrasound: between 11 weeks plus two days and 14 weeks of pregnancy. A high measurement is indicative of a genetic disorder such as Down's syndrome.
PCR	Polymerase chain reaction, being a technology in molecular biology used to amplify a single or a few copies of a piece of DNA across several orders of magnitude, generating thousands to millions of copies of a particular DNA sequence.
SMFM	The Society for Maternal-Fetal Medicine
Trisomy	The condition of having three copies of a given chromosome or chromosome segment in each somatic cell rather than the normal number of two.
Trisomy 13	Patau's syndrome
Trisomy 18	Edwards' syndrome
Trisomy 21	Down's syndrome

Premaitha Health PLC

[INSIDE BACK COVER]

Directors

Dr Stephen Little	(Chief Executive Officer)
Peter Collins	(Chief Commercial Officer)
Barry Hextall	(Chief Financial Officer)
David Evans	(Chairman & Non-executive Director)
Adam Reynolds	(Non-executive Director)
Nicholas Mustoe	(Non-executive Director)
Dr Charles Roberts	(Non-executive Director)

Secretary and registered office
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Nominated advisor
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Broker
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Auditors
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Solicitors
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Bankers
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Registrars
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