



3 December 2018

OMEGA DIAGNOSTICS GROUP PLC
(“Omega” or the “Company” or the “Group”)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

Omega (AIM: ODX), the medical diagnostics company focused on allergy, food intolerance and infectious disease, announces its unaudited interim results for the six months ended 30 September 2018.

Omega is one of the UK's leading companies in the fast growing area of food intolerance testing and also operates in markets supplying tests for allergies and autoimmune diseases and specific infectious diseases through a strong distribution network in over 100 countries.

Following the closure of our German business unit and the Pune manufacturing facility in India together with the disposal of our infectious disease business, we now have a smaller business focused on long term profitability and prioritised to deliver on VISITECT® CD4, Allergy and Food Intolerance. The results below reflect the reshaping of Omega.

Financial Highlights:

- Revenue reduced by 27% at £5.23m (2017: £7.11m)
- Revenue from continuing operations reduced by 7% at £4.22m (2017: £4.54m)
- Gross margin decreased by 2.9% on the same period last year at 60.2% (2017: 63.1%)
- Statutory profit before tax of £0.8m (2017: £0.1m)
- Adjusted loss before tax¹ of £0.51m (2017: adjusted profit before tax of £0.22m)
- Adjusted earnings per share¹ of -0.5p (2017: 0.3p)
- Bank overdraft at the period end of £0.45m (2017: cash of £2.42m)
- Food Intolerance revenue increased by 12% to £3.84m as compared to the immediately prior 6 month period (H2 FY18: £3.42m)
- Omega GmbH liabilities of £0.7m written back following appointment of a permanent administrator on 1 September 2018

¹Adjusted for exceptional items, amortisation of intangible assets and share based payment charges

Operational Highlights:

- Strategic review leading to:
 - the closure of our German business unit and the Pune manufacturing facility in India
 - the disposal of our legacy Infectious disease business to Lab 21 Healthcare Ltd for up to £2.175 million with a gain on sale of £1.09m
- 60 allergens CE marked to run on the IDS automated instrument and first purchase order received from IDS
- Visitect® CD4 350 cut off test commercialisation activities progressing with distributor agreements signed for Nigeria, Zimbabwe, Ghana, Zambia, Kenya, Columbia, Indonesia, Guatemala, Cameroon, Uruguay and Brazil with agreements under negotiation covering a further five countries
- Visitect® CD4 Advanced Disease test (utilising a lower 200 cut-off) validation is ongoing and the project continues to progress on track

Regarding outlook, David Evans, Chairman, said:

“Our short-term outlook is dominated by our efforts to realise value for Shareholders whilst at the same time successfully accelerating our efforts to commercialise our CD4 offering. The challenges are not inconsequential but I remain confident that in those areas where we can control our own destiny that we will succeed in delivering our objectives. In those areas where we are not masters of our own destiny then, by definition, the outcome will always be less certain. I believe it is best for our statement to reflect that reality as it stands today. Rest assured we will continue to work towards achieving success for all our Stakeholders.”

The information communicated in this announcement is inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Chairman's Statement

Financial performance

Total revenue for the six months ended 30 September 2018 reduced by 27% to £5.23m (2017: £7.11m) with much of the reduction being attributable to the divestment of our legacy infectious disease division and the decision to close our German manufacturing facility, limiting the revenue contribution from both these units to Q1 only within the reporting period. Revenue from continuing operations reduced by 7% to £4.22m (2017: £4.54m) predominantly due to the reduction in Food Intolerance revenue as described below.

Food Intolerance revenue decreased by 7% to £3.84m over the same H1 period in the prior year (2017: £4.13m) but showed an increase of 12% when measured against the most immediate six-month period being H2 in the year to 31 March 2018 (£3.84m v £3.42m). Sales of our FoodPrint® laboratory system were £2.30m (2017: £2.60m) with the difference attributable to the ordering pattern of our largest customer which stockpiled in the prior half-year period, which was not repeated in the current period. We maintained sales of Food Detective® at £0.95m, the same level as in the prior period, with an uplift in three key markets offsetting the loss of £0.23m of sales of the retail kit version in the prior period due to the previously reported regulatory issue which is still in the process of being resolved.

Sales in both the Allergy/Autoimmune and Infectious disease divisions declined by 53% and 54% respectively due to the divestment/closure decisions referred to above, with Allergy/Autoimmune sales of £0.79m (2017: £1.67m) and Infectious disease sales of £0.60m (2017: £1.31m).

Gross profit was £3.15m (2017: £4.49m) with the gross margin percentage reducing by 2.9 percentage points to 60.2% (2017: 63.1%). The reduction in margin is due to product mix and the fixed element of manufacturing labour cost against the lower level of sales in the period. The adjusted loss before tax was in line with management's expectation at £0.51m (statutory profit before tax of £0.82m less the exceptional credit items of £1.45m and adding back amortisation of intangibles and share-based payment charges totalling £0.12m) (2017: adjusted profit before tax of £0.22m). When analysed in each of the first two quarters, there was an adjusted loss before tax in Q1 of £0.87m, followed by an adjusted profit before tax in Q2 of £0.36m. Q1 included non-recurring losses of £0.25m related to the German and Indian business units, underpinning the reason behind their closure.

A tax charge of £0.1m resulted from the sale of the legacy infectious disease business versus a tax credit of £0.1m in the prior period resulting in adjusted earnings per share of -0.5p (2017: 0.3p). Statutory basic earnings per share were 0.9p (2017: 0.2p) due to the exceptional items noted below.

Exceptional items

We have reported two exceptional credits in the period; the sale of our legacy infectious diseases business to Lab 21 Healthcare Ltd on 28 June 2018, for up to £2.175m, yielded a book profit in the period of £1.09m, being the balance of the sale proceeds in excess of the book value of assets transferred and; following the decision to close the German operation, the assets as at 31 March 2018 were fully provided against and this was reported in our final results announcement dated 6 August 2018. Since formal insolvency proceedings commenced with Omega GmbH on 1 September 2018, the Group is no longer liable for any of the liabilities and this has resulted in a credit of £0.36m through the profit and loss account and a credit of £0.32m through other comprehensive income. There has been a corresponding reduction in the reported value of long term borrowings on the balance sheet to reflect this. Both of these items are excluded from the adjusted loss before tax for the period.

Strategic review

Since the commencement of a strategic review in the last financial year, the Board has prioritised to deliver on VISITECT® CD4, Allergy and Food Intolerance, following the divestment of the infectious disease business and the closure of operations in Germany and India.

Visitect® CD4

The Company continues to make good progress with the commercialisation plans for the VISITECT® CD4 350 cut-off test. Two additional distribution agreements have been signed since the trading update dated 10 October 2018. Country coverage now extends to 11 countries; Nigeria, Zimbabwe, Ghana, Zambia, Kenya, Columbia, Indonesia, Guatemala, Cameroon, Uruguay and Brazil with negotiations ongoing in a further five countries.

The VISITECT® CD4 Advanced Disease test (utilising a lower 200 cut-off) continues to make good progress. Since the trading update a third validation batch has been manufactured and is currently being externally tested in India. Although still to be finalised, external results completed to date for all three validation batches are looking promising. We now have ethical approval

in place to start our performance evaluation studies with initiation planned as soon as the ongoing site training has been successfully completed.

Discussions are ongoing with key HIV stakeholders to formulate plans for the procurement and implementation of VISITECT® CD4 Advanced Disease in low and middle-income countries at the earliest opportunity. Up to 40% of patients diagnosed with HIV are already at an advanced stage of the disease. Identification of advanced HIV disease is a critical issue that can improve the effectiveness of HIV control measures and it is widely recognised by opinion leaders that utilisation of the VISITECT® CD4 Advanced Disease test will play an important role in ensuring patients receive the most appropriate package of care.

Allergy

Since signing the distribution agreement with Imuunodiagnostics Systems ('IDS') in April of this year, we have continued to develop allergens for IDS' automated instrument. Since our last allergy update announced on 27 September 2018, we have CE-Marked two additional allergens, extending the menu to 60 allergens in total. We have also now shipped our first order to IDS and anticipate one further order for the final quarter of this financial year. We are working closely with IDS and there is regular contact between our respective commercial teams. We will continue to support IDS during the launch phase for this product range.

Food Intolerance

We are encouraged with the sales result from our Food Intolerance division for two reasons; sales for the six months to 30 September 2018 recorded growth of 12% when measured against the immediately prior six-month period to 31 March 2018 and; sales of Food Detective® of £0.95m for the six months to 30 September 2018 were equivalent to H1 in the prior period, despite that prior period including sales of £0.23m for the retail kit version which did not repeat in the current period due to the ongoing regulatory issue. We continue to work with our notified body on how best to resolve the issue.

The commissioning of a new 35,000 sq. ft facility is proceeding to plan with an expected move during the middle of the next calendar year. The upgraded facility underpins our view that the food intolerance division offers longer term growth opportunity, particularly in the US and China, and the Board continues to explore how best to realise value from this division given its stage in its current life-cycle.

Outlook

Our short-term outlook is dominated by our efforts to realise value for Shareholders whilst at the same time successfully accelerating our efforts to commercialise our CD4 offering. The challenges are not inconsequential but I remain confident that in those areas where we can control our own destiny that we will succeed in delivering our objectives. In those areas where we are not masters of our own destiny then, by definition, the outcome will always be less certain. I believe it is best for our statement to reflect that reality as it stands today. Rest assured we will continue to work towards achieving success for all our Stakeholders.

David Evans
Non-Executive Chairman
30 November 2018

**Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2018**

	Notes	6 month period ended 30 September 2018			6 month period ended 30 September 2017		
		Continuing	Discontinued	Total	Continuing	Discontinued	Total
		operations	operations		operations	operations	
		£	£	£	£	£	£
Revenue	3	4,224,889	1,002,646	5,227,535	4,535,219	2,578,116	7,113,335
Cost of sales		(1,618,225)	(464,136)	(2,082,361)	(1,372,712)	(1,250,265)	(2,622,977)
Gross profit		2,606,664	538,510	3,145,174	3,162,507	1,327,851	4,490,358
Administration costs		(2,405,656)	(440,874)	(2,846,530)	(2,721,495)	(616,729)	(3,338,224)
Selling and marketing costs		(765,626)	(195,205)	(960,831)	(617,231)	(451,348)	(1,068,579)
Other operating income		61,026	-	61,026	15,707	-	15,707
Operating (loss)/profit before exceptional items		(503,592)	(97,569)	(601,161)	(160,512)	259,774	99,262
Exceptional items:							
Gain on sale of legacy infectious disease business		1,091,808	-	1,091,808	-	-	-
Omega GmbH liabilities write off		358,819	-	358,819	-	-	-
Operating profit after exceptional items		947,035	(97,569)	849,466	(160,512)	259,774	99,262
Finance costs	4	(25,599)	-	(25,599)	(27,061)	-	(27,061)
Finance revenue – interest receivable		11	-	11	480	-	480
Profit before taxation		921,447	(97,569)	823,878	(187,093)	259,774	72,681
Tax (charge) / credit	5	(102,324)	-	(102,324)	96,267	-	96,267
Profit for the period		819,123	(97,569)	721,554	(90,826)	259,774	168,948
Other comprehensive income to be reclassified to profit and loss in subsequent periods							
Exchange differences on translation of foreign operations		30,605	-	30,605	83,215	-	83,215
Exceptional item-Omega GmbH liability write off		317,294	-	317,294	0	-	-
Tax charge	5	(5,124)	-	(5,124)	(15,160)	-	(15,160)
Other comprehensive income for the period		342,775	-	342,775	68,055	-	68,055
Total comprehensive income for the period		1,161,898	(97,569)	1,064,329	(22,771)	259,774	237,003
Earnings Per Share (EPS)							
Basic EPS on profit for the period	6			0.6p			0.2p
Diluted EPS on profit for the period				0.6p			0.1p

Adjusted Profit before Taxation

	6 month period ended 30 September 2018			6 month period ended 30 September 2017		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	operations	operations		operations	operations	
	£	£	£	£	£	£
Profit before taxation	921,447	(97,569)	823,878	(187,093)	259,774	72,681
Exceptional items	(1,450,627)	-	(1,450,627)	-	-	-
Amortisation of intangible assets	65,474	24,573	90,047	59,128	59,217	118,345
Share-based payment charges	30,000	-	30,000	26,895	-	26,895
Adjusted (loss)/profit before taxation	(433,706)	(72,996)	(506,702)	(101,070)	318,991	217,921
Earnings Per Share (EPS)						
Basic and diluted Adjusted EPS on profit for the period	6		(0.5p)			0.3p

Adjusted (loss) / PBT stated before exceptional items, amortisation of intangible assets and share based payment charges.

**Consolidated Balance Sheet
as at 30 September 2018**

	At 30 Sept 2018 £	At 31 March 2018 £	At 30 Sept 2017 £
Assets			
Non-current assets			
Intangibles	15,740,459	15,029,448	16,802,856
Property, plant and equipment	1,667,085	1,712,933	2,963,325
Deferred taxation	1,287,785	1,250,082	1,920,968
Total non-current assets	<u>18,695,329</u>	<u>17,992,463</u>	<u>21,687,149</u>
Current assets			
Inventories	1,110,767	1,823,961	2,540,365
Trade and other receivables	2,692,975	2,969,410	3,493,787
Deferred consideration	375,000	-	-
Cash and cash equivalents	-	115,719	2,418,441
Total current assets	<u>4,178,742</u>	<u>4,909,090</u>	<u>8,452,593</u>
Total assets	<u>22,874,071</u>	<u>22,901,553</u>	<u>30,139,742</u>
Equity and liabilities			
Issued capital	19,797,343	19,797,343	19,801,937
Retained earnings	(1,621,745)	(2,685,469)	4,933,873
Other reserves	40,887	10,282	60,445
Total equity	<u>18,216,485</u>	<u>17,122,156</u>	<u>24,796,255</u>
Liabilities			
Non-current liabilities			
Long term borrowings	136,100	728,830	845,741
Deferred taxation	1,748,247	1,619,795	1,999,029
Deferred income	481,752	357,360	452,065
Retirement benefit deficit	-	317,294	57,199
Total non-current liabilities	<u>2,366,099</u>	<u>3,023,279</u>	<u>3,354,034</u>
Current liabilities			
Trade and other payables	1,719,507	2,602,069	1,837,707
Bank overdraft	452,200	-	-
Short term borrowings	103,082	154,049	151,746
Tax payable	16,698	-	-
Total current liabilities	<u>2,291,487</u>	<u>2,756,118</u>	<u>1,989,453</u>
Total liabilities	<u>4,657,586</u>	<u>5,779,397</u>	<u>5,343,487</u>
Total equity and liabilities	<u>22,874,071</u>	<u>22,901,553</u>	<u>30,139,742</u>

Consolidated Statement of Changes in Equity for the six months ended 30 September 2018

	Share capital £	Share premium £	Retained earnings £	Translation reserve £	Total £
Balance at 1 April 2017	5,086,756	11,640,760	4,753,190	(22,770)	21,457,936
Issue of share capital for cash consideration	728,536	2,548,049			3,276,585
Expenses in connection with share issue	-	(202,164)	-	-	(202,164)
Profit for the period to 30 September 2017	-	-	168,948	-	168,948
Other comprehensive income-net exchange adjustments	-	-	-	83,215	83,215
Other comprehensive income-tax charge	-	-	(15,160)	-	(15,160)
Total comprehensive income	728,536	2,345,885	153,788	83,215	3,311,424
Share-based payments	-	-	26,895	-	26,895
Balance at 30 September 2017	5,815,292	13,986,645	4,933,873	60,445	24,796,255
Issue of share capital for cash consideration	-	(11,675)			(11,675)
Expenses in connection with share issue	-	7,081	-	-	7,081
Loss for the period to 31 March 2018	-	-	(7,438,545)	-	(7,438,545)
Other comprehensive income-net exchange adjustments	-	-	-	(50,163)	(50,163)
Other comprehensive income-actuarial loss on defined benefit pensions	-	-	(258,449)	-	(258,449)
Other comprehensive income-tax credit	-	-	52,277	-	52,277
Total comprehensive income	-	(4,594)	(7,644,717)	(50,163)	(7,699,474)
Share-based payments	-	-	25,375	-	25,375
Balance at 1 April 2018	5,815,292	13,982,051	(2,685,469)	10,282	17,122,156
Profit for the period to 30 September 2018	-	-	721,554	-	721,554
Other comprehensive income-net exchange adjustments	-	-	-	30,605	30,605
Other comprehensive income-Omega GmbH liability write off			317,294	-	317,294
Other comprehensive income-tax charge	-	-	(5,124)	-	(5,124)
Total comprehensive income	-	-	1,033,724	30,605	1,064,329
Share-based payments	-	-	30,000	-	30,000
Balance at 30 September 2018	5,815,292	13,982,051	(1,621,745)	40,887	18,216,485

**Consolidated Cash Flow Statement
for the six months ended 30 September 2018**

	6 months to 30 Sept 2018 £	6 months to 30 Sept 2017 £
Cash flows generated from operations		
Profit for the period after exceptional items	721,554	168,948
Adjustments for:		
Taxation	102,324	(96,267)
Finance costs	25,599	27,061
Finance income	(11)	(480)
Operating profit after exceptional items	849,466	99,262
Decrease/(increase) in trade and other receivables	276,435	(1,033,371)
Decrease/(increase) in inventories	86,371	(162,790)
(Decrease)/increase in trade and other payables	(1,211,411)	74,748
Depreciation	192,999	206,478
Amortisation of intangible assets	90,047	118,345
Movements in grants	124,392	119,293
Exceptional item-Gain on sale of legacy infectious disease business	(1,091,808)	-
Exceptional item-Omega GmbH liabilities write off	(358,819)	-
Share-based payments	30,000	26,895
Net cash flow from operating activities	(1,012,328)	(551,140)
Investing activities		
Finance income	11	480
Purchase of property, plant and equipment	(231,262)	(178,546)
Purchase of intangible assets	(1,034,153)	(1,204,655)
Sale proceeds from legacy infectious disease business	1,800,000	-
Net cash used in investing activities	534,596	(1,382,721)
Financing activities		
Finance costs	(25,599)	(27,061)
Proceeds from issue of share capital	-	3,276,585
Expenses of share issue	-	(202,164)
New finance leases	40,500	626,489
Drawdown of overdraft facility	452,200	-
Finance lease repayments	(69,529)	(78,255)
Net cash from financing activities	397,572	3,595,594
Net (Decrease)/increase in cash and cash equivalents	(80,160)	1,661,733
Effects of exchange rate movements	(35,559)	19,377
Cash and cash equivalents at beginning of period	115,719	737,331
Cash and cash equivalents at end of period	-	2,418,441

Notes to the Interim Report

for the six months ended 30 September 2018

1. BASIS OF PREPARATION

For the purpose of preparing the March 2018 annual financial statements the Directors used IFRS as adopted by the EU and in accordance with the AIM Rules issued by the London Stock Exchange. In preparing these interim financial statements, the accounting policies used in the Group's Annual Report for the year ended 31 March 2018 have been applied consistently. The Group does not expect the adoption of IFRS9 and IFRS15 to have a material impact on the consolidated financial statements for the year ended 31 March 2019. The Group has not applied IAS 34 *Interim Financial Reporting*, which is not mandatory for AIM companies, in the preparation of these interim financial statements.

The interim financial statements are unaudited. The information shown in the consolidated balance sheet as at 31 March 2018 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2018 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2018 Annual Report was unqualified and did not contain a statement under sections 498 (2) and 498 (3) of Chapter 3, Part 16 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 30 November 2018.

2. SEGMENT INFORMATION

For management purposes the Group is organised into three operating divisions: Allergy and Autoimmune, Food Intolerance and Infectious Disease and Other.

The Allergy and Autoimmune division specialises in the research, development, production and marketing of in-vitro allergy and autoimmune tests used by doctors to diagnose patients with allergies and autoimmune diseases.

The Food Intolerance division specialises in the research, development and production of kits to aid the detection of immune reactions to food. It also provides clinical analysis to the general public, clinics and health professionals as well as supplying the consumer Food Detective test.

The Infectious Diseases division specialises in the research, development and production and marketing of kits to aid the diagnosis of infectious diseases.

Corporate consists of centralised corporate costs which are not allocated across the three business divisions.

Inter segment transfers or transactions are entered into under the normal commercial conditions that would be available to unrelated third parties.

Business segment information	Allergy and Autoimmune £	Food Intolerance £	Infectious/ Other £	Corporate £	Group £
September 2018					
Statutory presentation					
Revenue	787,273	3,891,702	650,663	–	5,329,638
Inter-segment revenue	–	(56,239)	(45,864)	–	(102,103)
Total revenue	787,273	3,835,463	604,799	–	5,227,535
Operating costs	(1,086,345)	(2,438,096)	(1,261,312)	(1,042,943)	(5,828,696)
Operating profit/(loss) before exceptional items	(299,072)	1,397,367	(656,513)	(1,042,943)	(601,161)
Exceptional items	358,819	–	1,091,808	–	1,450,627
Net finance income/(costs)	–	–	(5,390)	(20,198)	(25,588)
Profit/(loss) before taxation	59,747	1,397,367	429,905	(1,063,141)	823,878
Adjusted profit before taxation					
Profit/(loss) before taxation	59,747	1,397,367	429,905	(1,063,141)	823,878
Exceptional items	(358,819)	–	(1,091,808)	–	(1,450,627)
Amortisation of intangible assets	26,389	53,502	10,156	–	90,047
Share-based payment charges	–	–	–	30,000	30,000
Adjusted profit/(loss) before taxation	(272,683)	1,450,869	(651,747)	(1,033,141)	(506,702)
Operating profit before exceptional items	(299,072)	1,397,367	(656,513)	(1,042,943)	(601,161)
Depreciation	28,854	117,903	46,243	–	193,000
Amortisation	26,389	53,502	10,156	–	90,047
EBITDA	(243,829)	1,568,772	(600,114)	(1,042,943)	(318,114)
September 2017					
Statutory presentation					
Revenue	1,719,453	4,921,908	1,417,556	–	8,058,917
Inter-segment revenue	(44,406)	(790,128)	(111,048)	–	(945,582)
Total revenue	1,675,047	4,131,780	1,306,508	–	7,113,335
Operating costs	(1,944,753)	(2,648,262)	(1,410,184)	(1,010,874)	(7,014,073)
Operating profit/(loss)	(269,706)	1,483,518	(103,676)	(1,010,874)	99,262
Net finance income/(costs)	(180)	(1,614)	(7,291)	(17,496)	(26,581)
Profit/(loss) before taxation	(269,886)	1,481,904	(110,967)	(1,028,370)	72,681
Adjusted profit before taxation					
Profit/(loss) before taxation	(269,886)	1,481,904	(110,967)	(1,028,370)	72,681
Amortisation of intangible assets	60,008	50,583	7,754	–	118,345
Share-based payment charges	–	–	–	26,895	26,895
Adjusted profit/(loss) before taxation	(209,878)	1,532,487	(103,213)	(1,001,475)	217,921
Operating profit before exceptional items	(269,706)	1,483,518	(103,676)	(1,010,874)	99,262
Depreciation	51,939	108,004	46,536	–	206,479
Amortisation	60,008	50,583	7,754	–	118,345
EBITDA	(157,759)	1,642,105	(49,386)	(1,010,874)	424,086

3. REVENUES

	6 months to 30 Sept 2018 £	6 months to 30 Sept 2017 £
UK	358,438	528,360
Germany	578,907	1,414,805
Rest of Europe	1,403,651	1,737,219
North America	794,926	1,309,177
South/Central America	368,294	267,166
Asia and Far East	1,212,662	1,033,877
Africa and Middle East	510,657	822,731
	5,227,535	7,113,335

4. FINANCE COSTS

	6 months to 30 Sept 2018 £	6 months to 30 Sept 2017 £
Interest payable on loans	21,594	18,984
Finance charges payable under finance leases	4,005	8,077
	25,599	27,061

5. TAX (CHARGE) / CREDIT

	6 months to 30 Sept 2018 £	6 months to 30 Sept 2017 £
Tax (charged) / credited in the income statement		
Current tax - current year	(16,698)	-
Current tax - prior year adjustment	-	-
Deferred tax – current year	(111,408)	67,053
Deferred tax - prior year adjustment	25,782	29,214
	(102,324)	96,267
Tax relating to items charged to other comprehensive income		
Deferred tax on net exchange adjustments	(5,124)	(15,160)
	(5,124)	(15,160)
Reconciliation of total tax charge		
Factors affecting the tax charge for the period:		
Profit before tax	823,878	72,681
Effective rate of taxation	19%	19%

Profit before tax multiplied by the effective rate of tax	156,537	13,809
Effects of:		
Expenses not deductible for tax and income not chargeable to tax	37,135	12,620
Deferred tax asset on losses in year not recognised	110,090	-
Research and development tax credits	(48,632)	(51,270)
Tax over provided in prior years	(25,782)	(29,214)
Adjustment due to different overseas tax rate	(39,610)	(33,201)
Exceptional item-Omega GmbH liabilities write off	(68,176)	-
Impact of UK rate change on deferred tax	(19,238)	(9,011)
Tax charge / (credit) for the period	102,324	(96,267)

The deferred tax asset balance at 30 September 2018 will be offset against future profits expected to be generated from the prospects for Allergy sales and Visitec® CD4 sales leading management to conclude to carry the deferred tax asset in full.

6. EARNINGS PER SHARE

	6 months to 30 Sept 2018	6 months to 30 Sept 2017
	£	£
Profit attributable to equity holders of the Group	721,554	168,948
	2018 Number	2017 Number
Weighted average number of shares	126,959,060	112,378,395
Share options	306,718	1,381,285
Diluted weighted average number of shares	127,265,778	113,759,680

The number of shares in issue at the period end was 126,959,060. Basic earnings per share are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Diluting events are excluded from the calculation when the average market price of ordinary shares is lower than the exercise price.

Adjusted Earnings per share on profit for the period

The Group presents adjusted earnings per share which is calculated by taking adjusted profit before taxation and adding the tax credit in order to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

	6 months to 30 Sept 2018	6 months to 30 Sept 2017
	£	£
Adjusted (loss) / profit before taxation	(506,702)	217,921
Tax (charge) / credit	(102,324)	96,267
Adjusted (loss) / profit attributable to equity holders of the Group	(609,026)	314,188

7. INTANGIBLES

	Goodwill £	Licences/ software £	Supply arrangements £	Technology assets £	Customer relationships £	Development costs £	Total £
Cost							
At 1 April 2017	4,703,165	1,765,753	533,836	2,150,731	1,245,524	7,872,250	18,271,259
Additions	-	-	-	-	-	-	-
Additions internally generated	-	-	-	-	-	1,247,225	1,247,225
Currency translation	42,510	4,484	16,769	5,520	47,904	18,517	135,704
At 30 September 2017	4,745,675	1,770,237	550,605	2,156,251	1,293,428	9,137,992	19,654,188
Additions	-	25,505	-	-	-	-	25,505
Additions internally generated	-	-	-	-	-	1,643,461	1,643,461
Currency translation	(4,052)	(855)	(1,598)	(532)	(15,350)	(5,516)	(27,903)
Asset write offs	(1,391,745)	(172,101)	(549,007)	(180,725)	(1,178,075)	(1,589,722)	(5,061,375)
At 31 March 2018	3,349,878	1,622,786	-	1,974,994	100,003	9,186,215	16,233,876
Additions	-	(114)	-	-	-	1,092,267	1,092,153
Additions internally generated	-	-	-	-	-	-	-
Disposals	(332,986)	-	-	-	-	-	(332,986)
Currency translation	17,608	14,902	6,946	2,286	14,904	7,133	63,779
At 30 September 2018	3,034,500	1,637,574	6,946	1,977,280	114,907	10,285,615	17,056,822
Accumulated amortisation							
At 1 April 2017	-	218,604	533,836	1,114,046	816,697	-	2,683,183
Amortisation charge in the year	-	10,103	-	49,374	60,649	-	120,126
Currency translation	-	5,049	16,769	5,268	20,937	-	48,023
At 30 September 2017	-	233,756	550,605	1,168,688	898,283	-	2,851,332
Amortisation charge in the year	-	5,491	-	49,374	57,231	6,249	118,345
Currency translation	-	(523)	(1,598)	(502)	(653)	(359)	(3,635)
Asset write offs	-	(179,399)	(549,007)	(172,460)	(854,858)	(5,890)	(1,761,614)
At 31 March 2018	-	59,325	-	1,045,100	100,003	-	1,204,428
Amortisation charge in the year	-	8,513	-	49,374	24,538	7,622	90,047
Currency translation	-	2,111	6,946	2,182	11,130	(481)	21,888
At 30 September 2018	-	69,949	6,946	1,096,656	135,671	7,141	1,316,363
Net book value							
30-Sep-18	3,034,500	1,567,625	-	880,624	(20,764)	10,278,474	15,740,459
31-Mar-18	3,349,878	1,563,461	-	929,894	-	9,186,215	15,029,448
30-Sep-17	4,745,675	1,536,481	-	987,563	395,145	9,137,992	16,802,856

8. GAIN ON SALE OF LEGACY INFECTIOUS DISEASE BUSINESS

On the 28th of June 2018 the Group sold its legacy infectious disease business to Lab21 Healthcare Limited for up to £2.175 million. The consolidated statement of comprehensive income includes the following gain on sale:

	£
Consideration to be received	2,175,000
Assets disposed of :	
Intangible assets - goodwill	332,986
Property, plant and equipment	50,383
Inventories	626,823
Legal fees associated with the disposal	73,000
Gain on sale through the income statement	1,091,808

9. DISCONTINUED OPERATIONS

	6 month period ended 30 Sept 2018				6 month period ended 30 Sept 2017			
	Omega GmbH £	India Manufacturing £	Infectious Disease £	TOTAL £	Omega GmbH £	India Manufacturing £	Infectious Disease £	TOTAL £
Revenue	578,907	–	423,739	1,002,646	1,422,119	–	1,155,997	2,578,116
Cost of sales	221,610	12,664	229,862	464,136	584,285	55,213	610,767	1,250,265
Gross profit	357,297	(12,664)	193,877	538,510	837,834	(55,213)	545,230	1,327,851
Administration costs	397,840	38,363	4,671	440,874	438,419	152,368	25,942	616,729
Selling and marketing costs	195,205	–	–	195,205	451,348	–	–	451,348
Operating (loss) / profit	(235,748)	(51,027)	189,206	(97,569)	(51,933)	(207,581)	519,288	259,774
Finance costs	–	–	–	–	–	–	–	–
Profit before taxation	(235,748)	(51,027)	189,206	(97,569)	(51,933)	(207,581)	519,288	259,774
Amortisation	24,573	–	–	24,573	59,217	–	–	59,217
Adjusted (loss) profit for the period	(211,175)	(51,027)	189,206	(72,996)	7,284	(207,581)	519,288	318,991