



Omega Diagnostics Group PLC - ODX Half-year Report
Released 07:00 21-Nov-2016



RNS Number : 6304P
Omega Diagnostics Group PLC
21 November 2016

21 November 2016

OMEGA DIAGNOSTICS GROUP PLC
("Omega" or the "Company" or the "Group")

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

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 2016.

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.

Financial Highlights:

- Revenue 11% ahead of last year at £6.83m (2015: £6.15m)
- Gross profit increased by 15% on the same period last year at £4.47m (2015: £3.89m)
- Gross margin increased by 2.2% on the same period last year at 65.5% (2015: 63.3%)
- Adjusted profit before tax¹ ("PBT") of £0.56m (2015: £0.52m)
- Adjusted earnings per share¹ maintained at 0.6p (2015: 0.6p)
- Cash at the period end of £0.8m (2015: £1.6m)

¹Adjusted for share based payments, IFRS-related discount unwinds and amortisation of intangible assets

Operational Highlights:

- Automated Allergy development programme CE-Marking 41 allergens which are now available for sale
- Pune facility expected to contribute to Group revenues by the end of the current financial year
- Food Intolerance segment continues to deliver the fastest growth in revenue at the highest gross margin
- Significant progress with our chosen Visitect CD4 test design with a clear roadmap to complete the technical work needed to achieve commercial launch
- Proposed change to relationship with Allersys licensor

Regarding outlook, David Evans, Chairman, said:

"We have made good progress on our key Visitect® CD4 development project and we have also covered much ground in bringing our Pune facility to a state of operational readiness and these activities are expected to contribute to growth in shareholder value over the shorter term."

"We have recently been approached by our Allersys licensor (Immunodiagnostic Systems Holdings plc "IDS") with a view to changing the nature of the commercial relationship with the Company. This could extend to the acquisition of all or part of our Allergy Business."

"We will update the market as soon as we have a clearer understanding of IDS' intentions but as things stand, the outlook for the rest of the financial year is encouraging within our core business with revenue and adjusted profit before tax expected to be at the higher end of market expectation due, in part, to favourable currency movements."

Contacts:

Omega Diagnostics Group PLC
Andrew Shepherd, Chief Executive
Kieron Harbinson, Group Finance Director
Jag Grewal, Group Sales and Marketing Director

Tel: 01259 763 030
www.omegadiagnostics.com

finnCap Ltd
Geoff Nash/James Thompson (Corporate Finance)
Mia Gardner (Corporate Broking)

Tel: 020 7220 0500

Walbrook PR Limited
Paul McManus
Anna Dunphy

Tel: 020 7933 8780 or omega@walbrookpr.com
Mob: 07980 541 893
Mob: 07876 741 001

Chairman's Statement

Financial performance

Trading in our core business during the first half of the year has seen increases in revenue in all three segments, helped by a favourable currency impact. Total revenue increased by 11% to £6.83m (2015: £6.15m) with the weaker effect of Sterling increasing reported revenue by approximately £0.5m in the current period (3% increase in revenue on a constant currency basis).

Our Food Intolerance revenue grew again, increasing by 15% to £3.84m (2015: £3.34m). Our microarray-based Foodprint® system has achieved particularly good growth in revenue, increasing by 46% to £2.2m (2015: £1.52m) including one account win in North America, a market which is seen as increasingly important for longer term growth. Food Detective® revenue fell by 22% to £0.93m (2015: £1.20m) as we took a conscious decision to reduce pipeline stocking in two of our key markets. However, we did still record growth in revenue in half of our top ten markets.

Our Allergy/Autoimmune revenue increased by 11% to £1.76m (2015: £1.59m) which was, in the main, due to a favourable currency impact from our domestic German allergy business deriving its sales in euros. In constant currency terms, revenue was stable in Germany compared to the prior period which is in contrast to a recent history of decline due to reimbursement pressures.

Our Infectious Disease segment continues to be the most price-competitive in which we operate with gains in some regions being offset by regional reductions elsewhere. A small percentage reduction in revenue in actual terms has been positively impacted by the weaker position of Sterling, resulting in a revenue increase of 1% to £1.23m (2015: £1.22m).

Gross profit increased by 15% to £4.47m (2015: £3.89m) and gross margin percentage increased by just over two percentage points to 65.5% (2015: 63.3%) reflecting the increased mix of higher margin products from our food intolerance business. Adjusted profit before tax (statutory profit before tax of £0.38m with add backs for amortisation of intangibles, share-based payment charges and IFRS-related discount charges) increased marginally to £0.56m (2015: £0.52m), reflecting investment in additional resource in UK based businesses and in our facility in Pune, India. A reduced tax credit of £77k (2015: £135k) has resulted in adjusted earnings per share being maintained at 0.6p (2015: 0.6p). Statutory basic earnings per share were 0.4p (2015: 0.3p).

Strategy

Point-of-care (POC) testing

In the trading update on 17 October 2016, we confirmed we have been successful in eliminating an ambient temperature effect when tested on over 100 HIV-positive samples at a UK hospital. We also have data on a further 400 samples and results overall indicate we are meeting our design goals of sensitivity and specificity.

We are now in a period of formal design control which means we now have the device format which we expect to take to the market. The remaining work we plan to do will be undertaken to confirm this is the case. We have now manufactured all the components necessary to assemble a scaled-up batch size of 10,000 devices which will be used in external trials and for assay robustness studies.

Rapid test manufacturing

Further to our trading update in October, we intend to complete all stages of the BSI Quality Management System review to ISO 9001:2008 and ISO 13485:2012 for our facility in Pune and remain on course to achieve CE-Marked malaria and pregnancy tests available for sale in the final quarter of the current financial year.

Allergy Automation

In October we successfully CE-Marked our allergy launch panel comprising 41 allergens which are capable of being run on the IDS-SYS instrument and whose performance matches that of the market-leading product. We are also finalising a long-term supply contract with our first customer in Germany.

We have initiated recruitment of skilled project managers and leaders into the scientific team that is responsible for delivering menu expansion, beyond the initial launch panel. We have been able to do this thanks to the Scottish Enterprise research and development grant of £1.8m announced in August 2016.

Outlook

We have made good progress on our key Visitect® CD4 development project and we have also covered much ground in bringing our Pune facility to a state of operational readiness and these activities are expected to contribute to growth in shareholder value over the shorter term.

We have recently been approached by our Allersys licensor (Immunodiagnostic Systems Holdings plc "IDS") with a view to changing the nature of the commercial relationship with the Company. This could extend to the acquisition of all or part of our Allergy Business.

Given the lack of clarity on IDS's intentions, we continue to reflect the carrying value of the Allergy Business in line with our Accounting Policies.

Under the terms of the 2011 agreement, the license can be terminated by IDS should they wish to do so. We believe that it is in both parties' interests to explore all the possibilities of a new commercial relationship and to avoid a situation whereby there are no winners should IDS exercise their right to terminate the contract/license.

We will update the market as soon as we have a clearer understanding of IDS' intentions but as things stand, the outlook for the rest of the financial year is encouraging within our core business with revenue and adjusted profit before tax expected to be at the higher end of market expectation due, in part, to favourable currency movements.

David Evans
Non-Executive Chairman
21 November 2016

INDEPENDENT REVIEW REPORT TO OMEGA DIAGNOSTICS GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related explanatory notes 1 to 7. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with IFRSs as adopted by the European Union and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
Glasgow
21 November 2016

Consolidated Statement of Comprehensive Income for the six months ended 30 September 2016

	Notes	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Continuing operations			
Revenue	3	6,833,706	6,147,135
Cost of sales		<u>(2,360,864)</u>	<u>(2,257,547)</u>
Gross profit		4,472,842	3,889,588
Administration costs		(3,276,952)	(2,910,994)
Selling and marketing costs		(881,574)	(875,269)
Other operating income		<u>-</u>	<u>73,271</u>
Operating profit		314,316	176,596
Finance costs	4	(10,252)	(11,651)
Finance revenue - interest receivable		1,383	12,415
Profit before taxation		305,447	177,360
Tax credit	5	76,968	135,181
Profit for the period		<u>382,415</u>	<u>312,541</u>
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Exchange differences on translation of foreign operations		418,875	23,974
Tax charge	5	<u>(38,143)</u>	<u>(3,772)</u>
Other comprehensive income for the period		<u>380,732</u>	<u>20,202</u>
Total comprehensive income for the period		<u>763,147</u>	<u>332,743</u>
Earnings Per Share (EPS)			
Basic EPS on profit for the period	6	0.4p	0.3p
Diluted EPS on profit for the period		0.3p	0.3p
Adjusted Profit before Taxation for the six months ended 30 September 2016		6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Profit before taxation		305,447	177,360
Amortisation of intangible assets		111,357	173,565
Share-based payment charges		143,775	168,610
Adjusted profit before taxation		<u>560,579</u>	<u>519,535</u>
Earnings Per Share (EPS)			
Basic and diluted Adjusted EPS on profit for the period	6	0.6p	0.6p

Adjusted PBT stated before share-based payments, IFRS-related discount unwinds and amortisation of intangible assets.

**Consolidated Balance Sheet
as at 30 September 2016**

	At 30 Sept 2016 £	At 31 March 2016 £	At 30 Sept 2015 £
Assets			
Non-current assets			
Intangibles	14,454,413	13,462,355	12,646,742
Property, plant and equipment	3,009,017	2,691,722	2,560,975
Deferred taxation	1,504,933	1,426,205	1,788,361
Retirement benefit surplus	44,759	44,759	-
Total non-current assets	19,013,122	17,625,041	16,996,078
Current assets			
Inventories	2,296,402	2,011,495	1,917,998
Trade and other receivables	2,965,665	2,838,269	2,748,908
Cash and cash equivalents	756,945	1,302,257	1,591,475
Total current assets	6,019,012	6,152,021	6,258,381
Total assets	25,032,134	23,777,062	23,254,459
Equity and liabilities			
Issued capital	16,727,516	16,727,516	16,727,516
Retained earnings	4,393,956	3,905,909	3,270,221
Other reserves	(27,373)	(446,248)	(683,234)
Total equity	21,094,099	20,187,177	19,314,503
Liabilities			
Non-current liabilities			
Long term borrowings	280,025	282,914	343,273
Deferred taxation	1,577,464	1,537,560	1,392,387
Retirement benefit deficit	-	-	192,907
Total non-current liabilities	1,857,489	1,820,474	1,928,567
Current liabilities			
Short term borrowings	140,245	127,783	256,538
Trade and other payables	1,940,301	1,641,628	1,556,847
Deferred income	-	-	198,004
Total current liabilities	2,080,546	1,769,411	2,011,389
Total liabilities	3,938,035	3,589,885	3,939,956
Total equity and liabilities	25,032,134	23,777,062	23,254,459

Consolidated Statement of Changes in Equity for the six months ended 30 September 2016

	Share capital £	Share premium £	Retained earnings £	Translation reserve £	Total £
Balance at 1 April 2015	5,086,756	11,640,760	2,792,842	(707,208)	18,813,150
Profit for the period to 30 September 2015	-	-	312,541	-	312,541
Other comprehensive income- net exchange adjustments	-	-	-	23,974	23,974
Other comprehensive income- tax charge	-	-	(3,772)	-	(3,772)
Total comprehensive income	-	-	308,769	23,974	332,743
Share-based payments	-	-	168,610	-	168,610
Balance at 30 September 2015	5,086,756	11,640,760	3,270,221	(683,234)	19,314,503
Profit for the period to 31 March 2016	-	-	259,371	-	259,371
Other comprehensive income- net exchange adjustments	-	-	-	236,986	236,986

Other comprehensive income-actuarial gain on defined benefit pensions	-	-	255,459	-	255,459
Other comprehensive income-tax charge	-	-	(72,859)	-	(72,859)
Total comprehensive income	-	-	441,971	236,986	678,957
Share-based payments	-	-	193,717	-	193,717
Balance at 1 April 2016	5,086,756	11,640,760	3,905,909	(446,248)	20,187,177
Profit for the period to 30 September 2016	-	-	382,415	-	382,415
Other comprehensive income-net exchange adjustments	-	-	-	418,875	418,875
Other comprehensive income-tax charge	-	-	(38,143)	-	(38,143)
Total comprehensive income	-	-	344,272	418,875	763,147
Share-based payments	-	-	143,775	-	143,775
Balance at 30 September 2016	5,086,756	11,640,760	4,393,956	(27,373)	21,094,099

**Consolidated Cash Flow Statement
for the six months ended 30 September 2016**

	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Cash flows generated from operations		
Profit for the period	382,415	312,541
Adjustments for:		
Taxation	(76,968)	(135,181)
Finance costs	10,252	11,651
Finance income	(1,383)	(12,415)
Operating profit	314,316	176,596
Increase in trade and other receivables	(127,396)	(209,057)
(Increase)/decrease in inventories	(284,907)	144,097
Increase in trade and other payables	298,673	14,788
Depreciation	156,573	163,488
Amortisation of intangible assets	111,357	173,565
Grant amortisation	-	(73,271)
Gain on sale of property, plant and equipment	812	-
Share-based payments	143,775	168,610
Net cash flow from operating activities	613,203	558,816
Investing activities		
Finance income	1,383	12,415
Purchase of property, plant and equipment	(410,379)	(349,035)
Purchase of intangible assets	(849,657)	(647,770)
Net cash used in investing activities	(1,258,653)	(984,390)
Financing activities		
Finance costs	(10,252)	(11,651)
New finance leases	77,000	104,566
Finance lease repayments	(67,425)	(57,973)
Net cash from financing activities	(677)	34,942
Net decrease in cash and cash equivalents	(646,127)	(390,632)
Effects of exchange rate movements	100,815	9,970
Cash and cash equivalents at beginning of period	1,302,257	1,972,137
Cash and cash equivalents at end of period	756,945	1,591,475

Notes to the Interim Report

for the six months ended 30 September 2016

1. BASIS OF PREPARATION

For the purpose of preparing the March 2016 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 same accounting policies have been used as set out in the

Group's Annual Report for the year ended 31 March 2016. 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 but have been formally reviewed by the auditors and their report is unqualified. The information shown in the consolidated balance sheet as at 31 March 2016 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2016 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 2016 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 21 November 2016.

The Group has a £1.7 million overdraft facility expiring in May 2017 which is fully expected to be renewed. This, together with the award of a £1.8m grant from Scottish Enterprise, a cash-generative core business and the application of working capital discipline, allows the Group to maintain cash levels within its business to meet its short and longer-term objectives. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully and capitalise on the new product opportunities despite continued uncertainties with the macroeconomic outlook. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

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

6 months to 30 September 2016	Allergy and Autoimmune £	Food Intolerance £	Infectious/ Other £	Corporate £	Group £
Statutory presentation					
Revenue	1,814,283	4,465,506	1,309,431	-	7,589,220
Inter-segment revenue	(49,372)	(629,055)	(77,087)	-	(755,514)
Total revenue	1,764,911	3,836,451	1,232,344	-	6,833,706
Operating costs	(1,860,193)	(2,231,841)	(1,371,761)	(1,055,595)	(6,519,390)
Operating profit/(loss)	(95,282)	1,604,610	(139,417)	(1,055,595)	314,316
Net finance income/(costs)	(339)	(1,874)	(7,945)	1,289	(8,869)
Profit/(loss) before taxation	(95,621)	1,602,736	(147,362)	(1,054,306)	305,447
Adjusted profit before taxation					
Profit/(loss) before taxation	(95,621)	1,602,736	(147,362)	(1,054,306)	305,447
Amortisation of intangible assets	55,586	49,465	6,306	-	111,357
Share-based payment charges	-	-	-	143,775	143,775
Adjusted profit/(loss) before taxation	(40,035)	1,652,201	(141,056)	(910,531)	560,579

6 months to 30 September 2015	Allergy and Autoimmune £	Food Intolerance £	Infectious/ Other £	Corporate £	Group £
Statutory presentation					
Revenue	1,643,897	4,139,338	1,309,064	-	7,092,299
Inter-segment revenue	(51,274)	(804,877)	(89,013)	-	(945,164)
Total revenue	1,592,623	3,334,461	1,220,051	-	6,147,135
Operating costs	(1,747,087)	(2,240,446)	(1,412,068)	(570,938)	(5,970,539)
Operating profit/(loss)	(154,464)	1,094,015	(192,017)	(570,938)	176,596
Net finance income/(costs)	2	52	(11,651)	12,361	764
Profit/(loss) before taxation	(154,462)	1,094,067	(203,668)	(558,577)	177,360
Adjusted profit before taxation					
Profit/(loss) before taxation	(154,462)	1,094,067	(203,668)	(558,577)	177,360
Amortisation of intangible assets	119,417	49,439	4,709	-	173,565
Share-based payment charges	-	-	-	168,610	168,610
Adjusted profit/(loss) before taxation	(35,045)	1,143,506	(198,959)	(389,967)	519,535

3. REVENUES

	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
UK	513,785	487,258
Germany	1,443,331	1,297,412
Rest of Europe	1,633,896	1,628,236
North America	925,357	383,779

South/Central America	513,551	473,083
Asia and Far East	892,985	1,049,962
Africa and Middle East	910,801	827,405
	<u>6,833,706</u>	<u>6,147,135</u>

4. FINANCE COSTS

	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Interest payable on loans	932	1,655
Finance charges payable under finance leases	9,320	9,996
	<u>10,252</u>	<u>11,651</u>

5. TAX CREDIT

	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Tax credit in the income statement		
Current tax - current year	-	-
Current tax - prior year adjustment	-	-
Deferred tax - current year	76,018	137,197
Deferred tax - prior year adjustment	950	(2,016)
	<u>76,968</u>	<u>135,181</u>

Tax relating to items charged to other comprehensive income

Deferred tax on net exchange adjustments	(38,143)	(3,772)
	<u>(38,143)</u>	<u>(3,772)</u>

Reconciliation of total tax credit

Factors affecting the tax credit for the period:		
Profit before tax	305,447	177,360
Effective rate of taxation	20%	20%
Profit before tax multiplied by the effective rate of tax	61,089	35,472
Effects of:		
Expenses not deductible for tax purposes and permanent differences	32,006	35,648
Research and development tax credits	(53,735)	(182,410)
Tax under provided in prior years	(950)	2,016
Adjustment due to different overseas tax rate	(30,580)	(25,907)
Impact of UK rate change on deferred tax	(84,798)	-
Tax credit for the period	<u>(76,968)</u>	<u>(135,181)</u>

6. EARNINGS PER SHARE

	6 months to 30 Sept 2016 £	6 months to 30 Sept 2015 £
Profit attributable to equity holders of the Group	382,415	312,541
	<u>2016 Number</u>	<u>2015 Number</u>
Weighted average number of shares	108,745,669	108,745,669
Share options	658,726	859,473
Diluted weighted average number of shares	<u>109,404,395</u>	<u>109,605,142</u>

The number of shares in issue at the period end was 108,745,669. 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 2016 £	6 months to 30 Sept 2015 £
Adjusted profit before taxation	560,579	519,535
Tax credit	76,968	135,181
Adjusted profit attributable to equity holders of the Group	637,547	654,716

7. POST BALANCE SHEET EVENT

We have recently been approached by our Allersys licensor (Immunodiagnostic Systems Holdings plc "IDS") with a view to changing the nature of the commercial relationship with the Company. This could extend to the acquisition of all or part of our Allergy Business.

Given the lack of clarity on IDS's intentions, we continue to reflect the carrying value of the Allergy Business in line with our Accounting Policies.

Under the terms of the 2011 agreement, the license can be terminated by IDS should they wish to do so. We believe that it is in both parties' interests to explore all the possibilities of a new commercial relationship and to avoid a situation whereby there are no winners should IDS exercise their right to terminate the contract/license.

This information is provided by RNS
The company news service from the London Stock Exchange

END

IR BUBDBUSBBGLC

CLOSE



Simply Spread Bet on FX from 0.5pts

Losses can exceed deposits

Trade now

Sponsored Financial Content

- **Where can dividend seekers turn as they aim to ride out the turbulence**
JP Morgan
- **Top 10 Stocks for 2016: Which companies should you consider?**
Accendo Markets
- **Investing for Children guide: Give your children a head-start**
F&C
- **How to get dividend income from the US**
TD Direct Investing

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2014 London Stock Exchange plc. All rights reserved