Concepta

Annual Report & Accounts 2018

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2018 Highlights

Product Highlights

Successfully completed clinical and user trials in September 2018 enabling CE Mark submission

Achieved CE Mark certification in October 2018

Launched the myLotus® product at the Fertility Show in London in November 2018

Operational Highlights

Completed validation and ISO 13485 approval for the manufacturing facility in Doncaster

Launched the myLotus.com ecommerce website to sell directly to the consumer and achieved listing on Amazon

Corporate Highlights

Appointment of Matthew Walls as Chairman in July 2018

Appointment of David Darrock as Chief Operating Officer in February 2018 and main Board appointment in September 2018

Appointment of Peter Dines as Non-Executive Director in July 2018, replacing Mark Wyatt, to represent the largest shareholder, Mercia Technologies PLC

Financial Overview

EBITDA loss £2.649m

Cash at year end £0.74m

£2.0m (net of issue expenses) share placing secured in August 2018

Post year end financials - £2.2m (net of issue expenses) share placing secured in April 2019

Executive Chairman Report

Healthcare and personalised health is in an era of transformational change. Recent advances in technological innovation and online access to published medical reports and healthcare communities is enabling patients to gain greater insight and understanding of their health, empowering them to take control of their wellbeing whilst easing the burden on state funded healthcare. Concepta and the myLotus®, personalised diagnostic device is at the forefront of this healthcare innovation and change.

Following my appointment as Chairman in July 2018, I am pleased to present my first Annual Report for the year ended 31 December 2018. The past twelve months have been definitive for the Company. The 2018 financial year saw the successful delivery of our CE Mark certification for the myLotus® product, its subsequent launch and initial sales in the fertility monitoring and pregnancy market. In addition, the recent announcement of the UK supply agreement with Boots UK (part of Walgreens Boots Alliance) and the completion of the April 2019 placing will help accelerate our business development activities and deliver a turnaround of the Company's prospects.

We are also announcing today the hugely important news of our first pregnancies which are beginning to emerge from the early adopters of myLotus®. Whilst brand awareness of the myLotus® product is low, sales are gathering momentum and the increasingly positive news will continue to build demand. The myLotus® women's fertility monitor is unrivalled in helping women to personally monitor their hormone cycles and ovulation profile ('signatures') to find their most fertile days to conceive naturally.

"the myLotus® women's fertility monitor is a breakthrough technology"

Business Overview

The historic performance of the Company necessitated a change in the strategy over the past year with a strengthening of the Board, Executive and Management team. In July 2018 I joined the Board of Concepta Plc as Chairman and Adam Reynolds who had led the transition of Concepta onto the AIM market in 2016 moved to a Non-Executive role. Peter Dines joined the Board as Non-Executive Director representing our main investor (Mercia Technologies PLC). In September 2018 David Darrock, who had been instrumental to the delivery of the myLotus® product, was appointed to the Board as Chief Operating Officer.

Whilst the historic strategy had focused on the China market, our limited investment and arm's length management from the UK was increasingly complex and costly. Our China launch was deferred and resources realigned to focus on finishing the development of the myLotus® product, resolving the delays in technical and app development, completing clinical validation and gaining CE Mark certification and regulatory approval.

Our focus and attention in the second half of 2018 was to ensure a successful UK launch of myLotus®. UK sales and marketing channels were developed across business-to-business (B2B) and business-to-consumer (B2C) channels including Boots UK and smaller fertility test providers, and key opinion leader support was put in place. We developed a new myLotus® product website (www.myLotus.com) and established our proprietary eCommerce platform capable of supporting our UK business growth and future EU and longer term international roll out. We have also adopted a digital marketing strategy to target and engage users via social media content, email, Amazon online shop and search engine marketing.

CE Mark certification was confirmed in October 2018 and the myLotus® product was launched in November 2018 at the Fertility Show, Olympia London. With low brand recognition and awareness of myLotus® we started the task of raising the brand profile through user testimonials, fertility events and news coverage. Following today's announcement we will be lifting the myLotus® profile and user case studies around our first pregnancies. The marketing message is clear - myLotus® increases a woman's chance of a natural pregnancy by monitoring her ovulation profile, finding her most fertile days and optimal time to conceive. A key requirement for the myLotus® pregnancy journey was the delivery of our first app developed in iOS/Android formats enabling women to track their hormone levels over their menstrual cycle. The development of our free app was completed in October 2018 and launched together with the myLotus® monitor.

Supply chain operations and logistics continued to strengthen throughout the year. The Doncaster manufacturing and assembly facility received ISO 13485 approval in September 2018 and the scale up and efficiency of production of our myLotus® monitor continues to improve with a second monitor manufacturer now identified. We will maintain our focus on a continuous improvement and cost reduction in the manufacturing processes to improve our margins. Working capital requirements also continued to build over the year and this trend is expected to continue through 2019.

Over the past few months strategic and distributor discussions have commenced with larger diagnostic and retail pharmacy groups. The discussions are expected to deliver further collaborative opportunities in 2019.

We are also exploring applications for myLotus® in hospitals and IVF (In Vitro Fertilisation) fertility clinics. The opportunity for myLotus® to carve out a new strategic position in the 'pathway to pregnancy' is compelling. According to the US BabyCentre Medical Advisory Board, clinical evidence indicates that 93-95% of women aged below 35 years who have regular unprotected sex will naturally fall pregnant over a 4 year period (48 cycles). myLotus® will help women identify their fertile days and optimal time to conceive thereby helping to accelerate the natural pregnancy process. myLotus® is especially relevant with the reduction in state funded fertility support enabling couples a lower cost alternative prior to considering more costly IVF treatment.

Executive Chairman Report *continued*

Product Development

Development of the myLotus® product includes the core areas of the myLotus® monitor and immunodiagnostic tests, iOS/Android app and data monitoring. Each of these areas have ongoing developments and we will continue to build our internal expertise to accelerate these programmes. The myLotus® monitor will be improved to include Bluetooth capability and enhanced display. We will be developing the myLotus® test menu to widen our test coverage of the menstrual cycle by including new hormone tests for Follicle Stimulating Hormone (FSH) and progesterone. These tests will both improve our fertility monitoring and extend the window on the menstrual cycle to include coverage of menopause. We will also continue to grow our user database to provide improved diagnosis of women's hormone health, wellbeing and diagnostic predictive analysis.

Financial Overview

Further details of the results for the period are covered in the Financial Report, but financially the year to 31 December 2018 saw the Group deliver income of £0.0m (2017: £0.1m). Following high levels of investment made in the development of myLotus®, the Group reported a loss after tax of £2.8m (2017: £2.3m loss after tax) and a loss per share of £0.02 (2017: £0.02).

In August 2018 the Company completed a £2.0m placing to finish the development of myLotus®. Cash reserves at 31 December 2018 were £0.7m (2017: £1.5m).

In April 2019 Concepta completed a £2.2m placing net of expenses to accelerate business development and to support working capital requirements.

Outlook

The market opportunity for myLotus® in fertility, pregnancy and women's health is substantial and with limited direct competition, the Board believes Concepta has strong prospects for growth. We are at the early stages of our product launch and program build and we will continue to educate users on the value of myLotus®, raise brand awareness and bolster our sales and marketing expertise over the coming year.

Our priority for 2019 is to develop our UK sales channels in B2C and B2B and engage a sustainable growth model which we can extend across the EU. We will also develop our strategic relationships with large diagnostic groups capable of internationally exploiting our diagnostic platform across personalised health and wellbeing.

We will accelerate the development of our additional test menu for myLotus® to target a broader women's hormone health product to acheive the following key objectives:

- Development of a sustainable revenue growth model
- EU roll-out to take advantage of our CE mark approval and eCommerce platform capability
- Development of our collaboration with Boots UK and the Walgreens Boots Alliance
- Piloting of myLotus® for use in IVF
- Piloting of myLotus® fertility and pregnancy support journey
- Bluetooth capability and improved display
- Development of new hormone tests
- App version 2.0 development
- Development of data mining tools and diagnostic predictive analytics capability

Based on our increasing pregnancies and user testimonials, we expect to raise the profile of myLotus® over the coming year and take advantage of our new technology innovation and industry know-how to drive our growth strategy.

I would like to thank the Board, management team and employees for their effort and commitment in driving Concepta's progress over the past year, as well as our investors whose support has provided a stable platform for our continued growth plans.

Matthew Walls
Chairman
13 May 2019

"myLotus® increases a women's chance of a natural pregnancy, finding her most fertile days and optimal time to conceive"

Early Success Stories

myLotus® couldn't have been a better purchase if I tried.

From the moment I came across it on Instagram it just made so much sense to buy. Having been told it could possibly be a harder route for me to fall pregnant, I wanted something I could trust to help me and something which made total sense.

myLotus® easily explains all the different features of how to use it, and the fact that it produces an individualised LH level for each ovulation test is quite frankly genius. This allowed me to track my ovulation in such a concise way that I felt in safe hands.

The app is an added bonus which uses your data to inform you when you should be taking a pregnancy test and stores all your test results if you ever need to look back over or show your doctor.

We fell pregnant within our first cycle of using myLotus® and I feel passionately that this was purely down to it. My average LH levels were quite low so only myLotus® would have been able to catch my spike using the numerical factor. The added bonus of myLotus® was the 9 pregnancy tests the pack comes with, which I happily used every single one to quadruple check I really was pregnant :)

Isabel, London

Myself and my partner are in our late 30's and decided we wanted to start trying for children. We tried the normal vitamin supplements and over the counter ovulation tests but after 18 months had not conceived.

As reasonably healthy people we knew age was a factor, so decided to try the myLotus® Fertility Monitor as a more specific aid for ovulation. It's an easy monitor to set up and use and importantly is very specific to you, your cycle and hormone levels and the support from customer care (in what can be an anxious time) is excellent, I could not rate it more highly.

We liked that the monitor shows the exact level of LH in urine so you can tell exactly (I mean exactly) when your peak is. This is why it is miles above any other fertility aids. After just two months of using the monitor we had the lovely news that we are now expecting a baby. Good health management and the correct vitamins is very important, but I feel we can put our success down to myLotus® and their support.

Please get a hold of one, and don't lose hope. Ever!

With love to all the couples trying, Naomi and Steven

Naomi, Scotland

The Digital Picture

my Fertile Days

Visually track and graph a monthly LH profile with the Fertility Cycle Graph which is an intuitive tool used to identify the most fertile days in a monthly cycle

my Profile

LH test results for easy reference in just 3 clicks with the information clearly displayed on the calendar and historical cycle graph

The calendar charts average cycle length, bleeding days, test days (LH and pregnancy tests) as well as sexual activity days

my Cycle

Easy to use calendar for instant identification of all aspects of previous, current and next monthly cycle

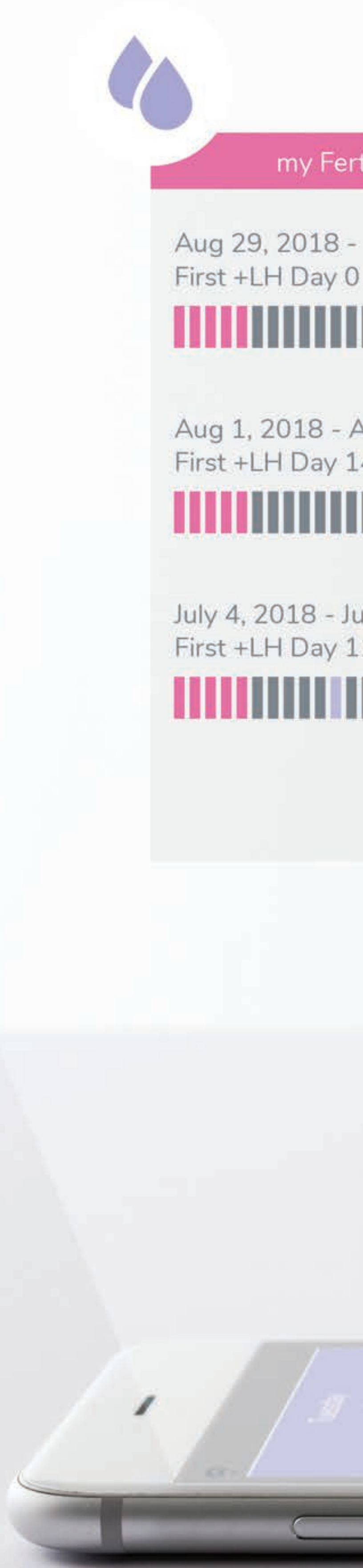
my Pregnancy Tests

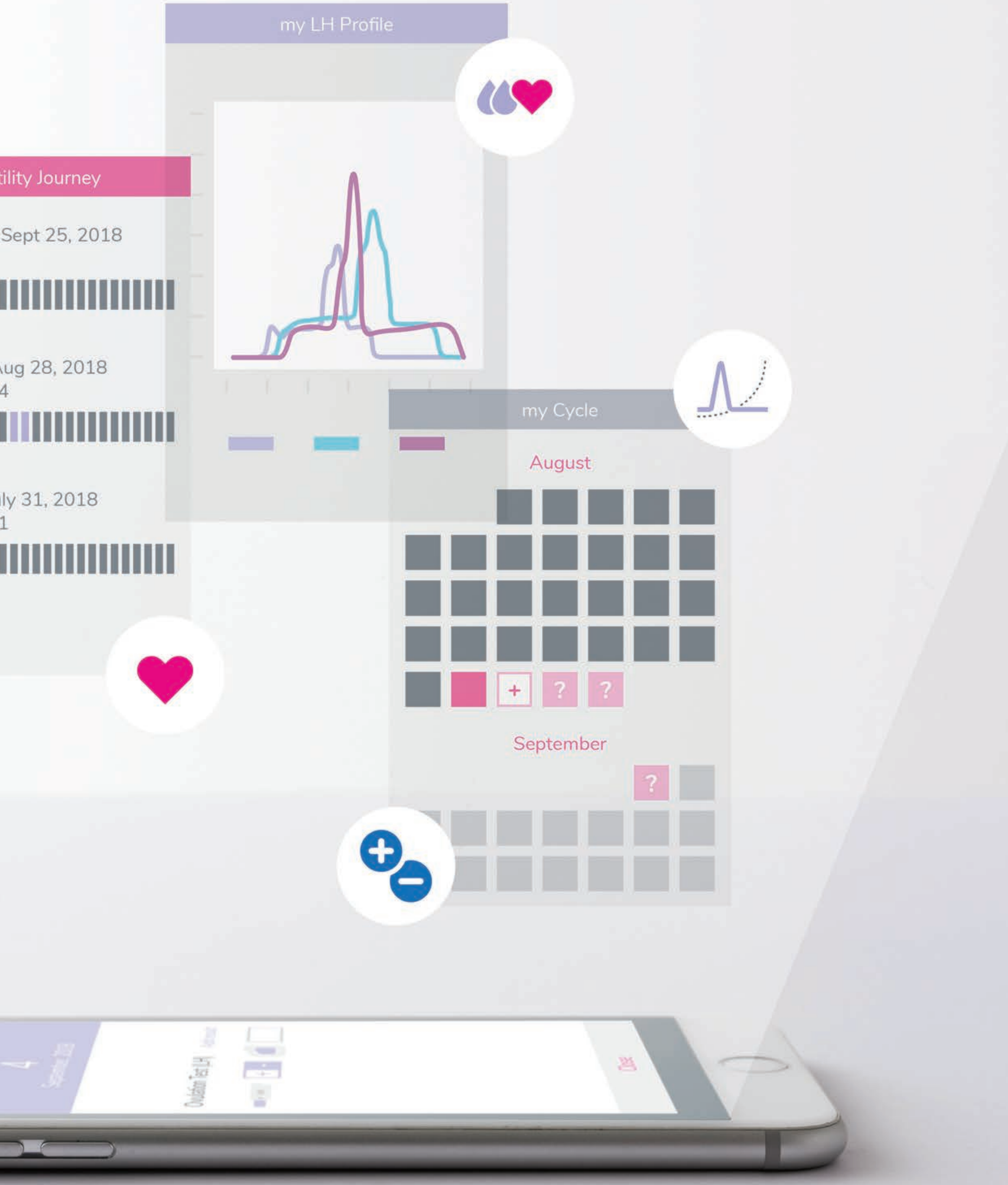
Test for pregnancy hormone within 12 days of a first positive LH result

Test results added to app for easy reference

my Fertility Journey

View hormone trends and surges in your current cycle and review up to 12 cycles of historic data




my LH Profile
Journey
Sept 25, 2018
my Cycle
August
September

Around 1 in 7 couples may have difficulty conceiving, this is approximately 3.5 million people in the UK

Source: NHS

Financial Review

Income statement

During the year 2018 the Group commenced generating revenues in the UK following the receipt of CE Mark certification for myLotus branded products. In the year all revenues were generated from the UK and no revenues were generated from China as operations in this territory have been deferred.

The Group's loss after taxation was £2,813,507 (2017: £2,344,949).

The Group's loss after taxation was £2,813,507 (2017: £2,344,949).

The administration costs, including share-based payments, incurred during the year ended 31 December 2018 of £2,305,986 included a bad debt provision of £107,811 (2017: £2,035,005 included no one-off costs).

Other administration costs of £2,213,695 (2017: £1,925,482) included £558,181 (2017: £427,113) research and development costs (net of capitalised development costs), staff costs and head office costs.

The tax credit of £52,277 (2017: £104,818) included research and development tax credit of £52,277 (2017: £104,818) and deferred tax of £ nil (2017: nil).

Loss per share

The basic and diluted loss per share was £0.02 (2017: £0.02).

Financial Position

The Group net assets at 31 December 2018 were £2,103,851 (2017: £2,939,935). This comprised total assets of £2,655,003 (2017: £3,481,351) and total liabilities of £551,152 (2017:£541,416.)

The total assets included property, plant and equipment, intangible assets (capitalised development costs and patent costs) of £1,298,384 (2017: £863,990), of which £118,452 (2017: £174,750) represents additional development and patent costs capitalised net of amortisation, equipment spend net of sale and leaseback transaction of £456,789 (2017: £312,170) and leasehold improvements spend of £nil (2017: £117,863) on the Doncaster factory facility during the year and cash and cash equivalents of £740,227 (2017: £1,537,759).

Cashflow

The Group's cash balance at the period end was £740,227 (2017: £1,537,759).

During the period the net cash outflow from operating activities was £2,268,960 (2017: £2,441,610) and total spend on property, plant and equipment and intangible assets of £626,654 (2017: £670,292), with financing activities generating net proceeds of £2,098,082 (2017: £1,941,184).

Dividends

No dividend is recommended (2017: £nil) due to the early stage of the development of the Group.

Capital management

The Board's objective is to maintain a balance sheet that is both efficient and delivers long term shareholder value. The Group had cash balances of £740,227 at 31 December 2018 and has a 5 year sale and leaseback financing for three parts of its manufacturing equipment. The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Events after the reporting period

Events after the reporting period are described in Note 23 to the financial statements.

Barbara Spurrier
Chief Financial Officer

Principal Risks and Uncertainties

Responsibility for Risk

Risk identification and management strategy continues to be a key role for the Board which has overall responsibility for the Group's risk management. In addition, risk is specifically considered by the Audit Committee as part of the Audit Cycle. The Audit Committee has responsibility for assessing and challenging the robustness of the internal control environment.

Risk management processes and internal control procedures are established across all levels of the Group and are managed by the Executive Directors in conjunction with dedicated expert professionals in the business.

Risk management and internal controls provide reasonable but not absolute protection against risk. Risk appetite is not static and is regularly assessed by the Board to ensure it continues to be aligned with the Group's goals and strategy

Principal Risks and Uncertainties

The principal risks involved in delivering the Group's strategy are actively managed and monitored against our appetite for risk as follows:

Market Risks	Impact	Mitigation
Brexit	New regulations could add complexity and delays to operations.	Our regulatory department keeps up to date on all changes. The current consensus is that Brexit will not affect the regulations that are relevant to our business.
Technology	The Group's platform is currently unique. Rapid technological advances could see competitor products being launched.	The Group has product development plans in place for improved technology as well as for a wider product portfolio that includes additional innovative solutions for the targeted consumer groups.
Ability to sell effectively	The Group's brand is currently unknown and it is imperative that we have effective marketing methods and digital exposure to support the sales function.	The Group has strong controls to support the sales functions and has strengthened the management team to add resources to the sales and marketing function.
eCommerce infrastructure	The Group has to build an eCommerce platform and test the systems effectiveness.	The Group has appointed consultants and experts to advise and support the build program of the e-commerce website.
Cyber Risk	The Group will operate systems that hold confidential personal data including that of our customers.	The Group has a cyber, data protection and security policy in place which is regularly reviewed for effectiveness.

Operational Risks	Impact	Mitigation
Dependence on key personnel	The Group is in its early stages of development when reliance on a few key people has an inherent vulnerability.	The Group carries out benchmark exercises to ensure a good remuneration. The Group also offers an environment for excellent personal development in an exciting segment of our industry.
Technology	The Group is launching a product that is not already available in the consumer market.	The Group has responded to consumer demand and will upgrade and modify products if required
Technical	Insufficient understanding of biology, science, research program, approvals and patents leading to loss of product licence, patent protection, loss of medical sponsorship, distributor and consumer confidence. This can impact the delivery of strategy and objective of the Group.	The Group senior management and certain directors have strong technical skills and demonstrable experience in the research and markets that the Group operates in.
Supply Chain	Inadequate design of processes, quality control and oversight over supply chain - production, distribution and logistics. This can impact the delivery of strategy and objective of the Group.	The Group mitigates this risk by relying on and accessing industrial/ market expertise in this area by outsourcing production and appointing distributors. The Group's contracts with the outsourced service companies contain robust terms. The Group shall further mitigate development risk by engaging at the appropriate stage relevant experience and expertise of specialists and appropriate technology. Recruited COO to assist with management.
Manufacturing	The Group is making the transition from a research-based organisation to a full commercial organisation. Manufacturing set-up and learning curve could delay sales or could impact our rate of growth.	The Group appointed experienced senior management and consultants to set up brand new manufacturing facilities in Doncaster. They also have the experience to handle the transfer of current manufacturing at our Colworth site under ISO13485. A modular automatic assembly line is being installed. Additional modules are planned to add capacity in line with sales growth.

Principal Risks and Uncertainties *continued*

Financial Risks	Impact	Mitigation
Future funding requirements	The Group's platform is currently unique. We are exploring the capabilities of the platform for a range of tests. Our current funding covers the launch of our initial fertility products. Identified opportunities cannot be pursued with the existing funding.	Management will analyse major opportunities and present them in additional business cases when warranted. The Group is looking at collaborative deals and at available grants to prove the potential of the platform.
Currency fluctuations	Currency fluctuations could increase costs and affect profitability.	Our initial sales are export sales. Currency fluctuations will impact both sales and costs. Our initial product offering is not price-sensitive. Substantial cost increases will be passed on.

Legal Risks	Impact	Mitigation
Intellectual Property litigation	We carry out ongoing work on our freedom to operate. Any claim brought against us would impact the Company from its business.	The Group engages with IP specialists to ensure we have a strong position. To our knowledge we do not infringe on any patents.
Inadequate registration and monitoring of patents	Delivery of strategy and objective of the Group and share price	Regulatory risk is mitigated by (with the help of appropriate advisors) monitoring the regulatory and political environment within the countries in which we hold patents, engaging in constructive dialogue where and when appropriate, and introducing third-party expertise if this may assist in resolution of issues affecting our patents.
Compliance with regulations	Reputation. Severe penalties. Senior management imprisoned/ personally fined.	Anti-Money Laundering- developing compliance process and risk assessment with monitoring process. Anti-Bribery And Corruption – ensure compliance with UK Bribery Act. Ethics Code with periodic staff declarations, staff and director trading; Embed in on-boarding process for new suppliers/ counter-parties; Establish monitoring process for suppliers/ counter-parties.
Changes in legislation	The diagnostics market is heavily regulated. The IVD Directive became a Regulation and has an impact on the regulatory work prior to launch.	The Group's management have experience in the OTC market where regulatory requirements have always been more strenuous than for clinical diagnostics. We work with consultants and with our Notified Body (BSI) to be and to remain compliant.

On behalf of the Board

Barbara Spurrier
Chief Financial Officer
13 May 2019

Board of Directors

Matthew Walls

Executive Chairman

Matthew was appointed Chairman of Concepta in July 2018 and brings extensive senior and board-level experience in public companies, particularly in pharmaceutical, diagnostics and biotech. Matthew was most recently Chief Executive Officer and Chairman of the leading international patient behavioural change company, Atlantis Healthcare Group from 2015 until 2018. Matthew has held Chairman and advisory roles since 2013 for The Fertility Partnership, which has grown to become the UK's largest fertility group; Matthew was previously Non-Executive Director and Chairman of AI Group, BioBeats Limited; and Chief Executive Officer of AIM-listed molecular diagnostics company Genedrive Plc. Matthew was previously Global Commercial Director at the biopharmaceutical company AstraZeneca Plc where he was commercially and financially responsible for strategy and international business operations.

Adam Reynolds

Non-Executive Director

Adam is a former stockbroker with over 35 years' experience within the UK financial services sector. In 2000, he founded Hansard Group PLC which was admitted to trading on AIM in 2000. He is currently a director of several AIM traded companies: he is a non-executive director of EKF Diagnostics Holdings PLC, a point-of-care, central laboratory, and molecular diagnostics company; Chairman of Yourgene Health PLC, a company involved in the development of prenatal screening devices, non-executive director of Sosandar Plc an on-line fashion business. He is also a director of a number of private companies. Adam joined the Concepta PLC board as non-executive Chairman in February 2016.

Peter Dines

Non-Executive Director

Peter is COO and Head of Life Science at Mercia Technologies PLC, with particular experience in commercilaising and scaling medtech companies. He was previously Managing Director of obstetric and orthopaedic medical device company Surgicraft before founding and ultimately successfully exiting splnal and orthopaedic implant supplier Surgi C Group.

David Darrock

Chief Operating Officer

David has over 17 years' experience within the Life Science and medical device sector. He is a technical executive with experience of working within highly regulated industries, specialising in operations, continuous improvement and validation. He has a proven track record in developing and manufacturing medical devices, in the areas of pregnancy, fertility, infectious diseases, blood borne pathogens and drug abuse, for consumer and professional brands including Clearblue, Clearview, Persona, TestPack, Cozart DDS and T-SPOT.TB.

Barbara Spurrier

Chief Financial Officer and Company Secretary

Barbara is a qualified certified accountant (FCCA) with over 30 years finance experience in numerous sectors including Technology, Oil & Gas and Food. Recently she successfully concluded 2 IPO's and 2 RTO's onto LSE/AIM. She has been main board director of 5 AIM listed PLC's, heading the revenue recognition committee of the board for one of these companies. Alongside her fund raising and IFRS experience her expertise includes strategic planning, financial and cash management, profit optimisation and the implementation of long term strategic objectives.

Neil Mesher

Non-Executive Director

Neil has more than 25 years of global experience within the healthcare and consumer electronics industries. He is currently CEO of Philips for the UK and Ireland and is on the Board of the Association of British Healthcare Industries (ABHI), from which he led the industry's response to the NHS's "5 Year Forward View", assessing opportunities for greater integration between industry and the healthcare system. Neil is also a member of the Government's Life Science Industrial Strategy Board, representing the interests of the medical technology sector with other senior leaders from across healthcare.

Corporate Governance Report

Introduction

The Board recognizes that good standards of corporate governance help the Company to achieve its strategic goals and is vital for the success of the Company. The Company adopts proper standards of corporate governance and follows the principles of best practice set out in the Quoted Company Alliance Governance Code (2018) (the 'QCA Code'), as far as is appropriate for the size and nature of the Company and the Group. These principles are disclosed on our website in the Corporate Governance section - https://conceptaplc.com/investors-dashboard/corporate-governance-board-committees.

The Board and responsibilities

The Board currently consists of an Executive Chairman, two executive Directors and three non-executive Directors. There is a clear division of responsibilities between the chairman and the executive officers and the Board considers the non-executive directors to be independent of management. 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 page 18 to 19.

The directors evaluate the balance of skills, knowledge and experience on the Board when defining the role and capabilities required for new appointments.

The Board is responsible for management of the business, setting the strategic direction and policies. The Board meets regularly to attend to any issues which require the attention of the Board and oversees the financial position of the Company monitoring the business and affairs on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board is to act in the best interests of Concepta PLC at all times. The Board will also address issues relating to internal control and the Company's approach to risk management.

The day-to-day management of the Company's business is delegated to the Executive Chairman and Chief Financial Officer of the Company.

During the year to 31 December 2018, the Board held 12 scheduled meetings.

Audit Committee

Matthew Walls is the Chairman of the Audit Committee which Adam Reynolds, Peter Dines and Neil Mesher sit on. They will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of Concepta PLC.

The Nomination Committee

The Nomination Committee is responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board, and the chair of each such committee. The Nomination Committee will also arrange for evaluation of the Board. Matthew Walls is the Chairman of the Nomination Committee which Adam Reynolds, Peter Dines and Neil Mesher sit on and they will meet when required.

The Remuneration Committee

Neil Mesher is the Chairman of the Remuneration Committee, which Adam Reynolds, Matthew Walls and Peter Dines sit on and they will meet not less than once each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of Concepta PLC.

Share dealing code

Concepta PLC has adopted and will operate a share dealing code governing the share dealings of the directors of the Company and applicable employees with a view to ensuring compliance with the AIM Rules.

Investor relations

The General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website. The Company also has a dedicated electronic communication line specifically for shareholders' enquiries.

On behalf of the Board

Barbara Spurrier
Chief Financial Officer and Company Secretary
13 May 2019

Corporate and Social Responsibility

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders.

In view of the limited number of stakeholders, the Company has not adopted a specific policy on Corporate Social Responsibility. However, it does seek to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations. The Company has adopted an Anti-Corruption and Anti-Bribery Policy and compliance with regulations like Competition Law.

Environment

Concepta PLC is sensitive to the environment in which it operates and has established well defined operating guidelines with some of the manufacturing partners where it seeks their compliance with ISO14001 when relevant, to ensure certain environmental standards are complied with.

Human Rights

Concepta PLC is committed to social and morally responsible research, development and manufacturing processes for the benefit of all stakeholders. The activities of the Company are in line with applicable laws on human rights.

Employees

Our employees are key to achieving the business objectives of the Company. The Company has established policies for recruitment, diversity and equal opportunities, training and development. Our priority is to provide a working environment in which our employees can develop to achieve their full potential and have opportunities for both professional and personal development. We aim to invest time and resource to support, engage and motivate our employees to feel valued, to be able to develop rewarding careers and want to stay with us. The Company embraces employee participation in issue raising and resolution through regular update sessions that value contributions from all levels regardless of position in the business.

Shareholders

The Board of Directors actively encourage communication and they seek to protect the interest of shareholders at all times. The Company updates shareholders regularly through regulatory news and financial reports. The Company also engages directly with investors at our Annual General Meeting or investor events.

Health and Safety

Company activities are carried out in accordance with its Health and Safety Policy which adheres to all applicable laws and are audited both internally and by an external organisation.

Directors' Report

The directors present their report and the audited financial statements for Concepta PLC for the year ended 31 December 2018.

Principal Activities

Concepta PLC is a holding company. It is the parent company of Concepta Diagnostics Limited, a UK- based company, which was acquired on 26 July 2016.

The principal activity of the Group is to develop and commercialise the mobile health diagnostics medical devices.

A detailed review of the business activities of the Group is contained in the Strategic Report.

Business review and future developments

The review of the period's operations, future developments and key risks is contained in the Strategic Report. The Directors do not recommend a final ordinary dividend for the period (2017: £nil).

Directors and directors' interests

The directors who held office during the period and subsequently were as follows:

Matthew Walls (appointed on 17 July 2018)

Adam Reynolds

Erik Henau (resigned on 26 September 2018)

Barbara Spurrier

Peter Dines (appointed on 17 July 2018)

Dr Mark Wyatt (resigned on 17 July 2018)

Neil Mesher

David Darrock (appointed on 26 September 2018)

With regard to the appointment and replacement of Directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

Directors' interests

The Directors held the following beneficial interests in the shares, share options and warrants of Concepta PLC at the date of this report:

	Ordinary shares of £0.025 each	Issued share capital %
Matthew Walls	1,525,000	0.58
Adam Reynolds	1,834,722	0.69
Barbara Spurrier	579,390	0.22

Directors' share options and warrants

The share options and warrants for directors who held office during the period are as follows:

	Options/ Warrants at 1 January 2018	Granted	Exercised	Lapsed/ Cancelled	Options/ Warrants at 31 December 2018	Date of Grant	Exercise Price	Earliest & latest date of exercise
Matthew Walls Options	-	9,409,834	-	-	9,409,834	27/09/18	£0.04	17/07/19 - 27/09/28
Adam Reynolds Warrants	1,100,000	-	-	-	1,100,000	26/07/16	£0.075	26/07/16 - 26/07/21
Erik Henau Options	1,569,400	-	-	-	1,569,400	25/07/16	£0.075	23/03/19 - 22/03/26
Warrants	1,100,000	-	-	-	1,100,000	26/07/16	£0.075	26/07/16 - 26/07/21
Barbara Spurrier Warrants	1,100,000	-	-	-	1,100,000	26/07/16	£0.075	26/07/16 - 26/07/21
David Darrock Options	-	1,000,000	-	-	1,000,000	15/02/18	£0.060	15/02/19 - 15/02/28

The remuneration of the directors in Concepta PLC who held office during the year to 31 December 2018 was as follows:

	Salaries/fees £	Pension costs £	Share-based payments £	31 December 2018 £	31 December 2017 £
Matthew Walls	91,000	-	53,437	144,437	-
Adam Reynolds	50,082	-	-	50,082	50,000
Erik Henau	84,200	7,020	23,931	115,151	168,831
Barbara Spurrier	74,538	5,925	-	80,463	76,500
Dr Mark Wyatt[1]	10,833	-	-	10,833	18,382
Neil Mesher	14,583	-	-	14,583	11,250
Peter Dines[1]	9,167	-	-	9,167	-
David Darrock	76,917	3,833	14,778	95,528	-
Neil Herbert	-	-	-	-	5,000
	411,320	16,778	92,146	520,244	329,963

[1] Dr Mark Wyatt's and Peter Dines' director fees were paid to Mercia Investments Limited, a subsidiary of Mercia Technologies PLC, a shareholder of Concepta plc.

Directors' Report *continued*

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Events after the reporting date

Events after the reporting period are described in Note 23 to the financial statements.

Research and Development Activities

Concepta continues to invest in research and development activities. Concepta is focused on developing and enhancing the existing product portfolio and other products that will complement and expand the product offering.

The total research and development expenditure including costs for applying patents for the year ended 31 December 2018 was £727,741 (2017: £667,372) of which £169,560 (2017: £240,259) was capitalised and £558,181 (2017: £427,113) (excluding amortisation charge) was expensed in the income statement. This expenditure was incurred on product development and enhancement. Further details of the research and development activities are disclosed in the Strategic Report.

Financial Risk management

Details of financial risk management are provided in note 3 to the accounts.

Political and charitable contributions

The Group made no charitable or political contributions during the year.

Going Concern

The Directors, having made appropriate enquiries, consider that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at the date of this report:

	%
Mercia Technologies PLC	22.40
W B Nominees	7.08
Yorkshire Finance	4.79
Angel CoFund	4.40
Barnard Nominees	3.80
Richard Sneller	3.80

Statement of Disclosure to the Auditors

All of the current directors have taken all the steps that they ought to have taken 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.

Auditors appointment

Jeffreys Henry LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). 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 and of the profit or loss of the Group and the parent company for that period.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU or UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Barbara Spurrier
Chief Financial Officer and Company Secretary
13 May 2019

Independent Auditor's Report to the Members of Concepta Plc for the Year Ended 31 December 2018

Opinion

We have audited the financial statements of Concepta PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year 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; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Key audit matters

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

- Carrying value of investments and intangible assets.
- Accounting for share capital, options, convertibles and warrants.

These are explained in more detail below in the following table.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments and intangible assets	
The Company had investments of £4,535,684 at the year ended 31 December 2018. (31 December 2017: £4,637,138) The Directors have confirmed all investments, including additions were correctly calculated and being held at cost. The Group had capitalised development and patents costs of £169,560 at the year ended 31 December 2018. (31 December 2017: £240,259) The Directors have confirmed all intangibles, including additions were correctly recognised.	Investments have been assessed. The analysis work undertaken by the directors shows that the Group is expected to remain cash generative and profitable based on their technology. We have understood and assessed the methodology used by the directors in this analysis and determined it to be reasonable. Intangibles are only assessed for impairment when indicators of impairment exist. We have considered the life cycle, public perception through the share price of the Company and the fair value of intangibles held by the Company. As all the capitalised intangibles relate to products that Concepta Diagnostics Limited is using to enhance its product.
Accounting for share capital, options, convertibles and warrants	
The charge for the year is made up as follows: Options granted £92,291 All share options and warrants that vest in the period have been reviewed for the purpose of calculating an appropriate share-based payment charge. The Black-Scholes model has been used to value the options and warrants at the grant date. Options have estimated vesting periods based on management's assumptions and the share-based payment is spread evenly over this period from the date of grant. Warrants vested on the grant date and the share based payment was fully charged to the profit and loss during the year. There is therefore judgment in the valuation of share-based payments, owing to the estimation uncertainty that exists around future vesting periods.	We have understood and assessed the methodology utilised to estimate the Company's share-based payment charge calculations and checked that the calculation of the provision was mathematically accurate. We found no material exceptions in our testing. We have audited the share-based payment by reviewing the key inputs used in the model for reasonableness.

Independent Auditor's Report to the Members of Concepta Plc for the Year Ended 31 December 2018 *continued*

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£140,000 (31 December 2017: £100,000).	£46,000 (31 December 2017: £47,000).
How we determined it	Based on 5% of net loss.	Based on 10% of net loss.
Rationale for benchmark applied	We believe that net loss is a primary measure used by shareholders in assessing the performance of the Group.	We believe that net loss is a primary measure used by shareholders in assessing the performance of the Company.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components is ranged from £46,000 and £140,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £7,000 (Group audit) (31 December 2017: £5,000) and £2,300 (Company audit) (31 December 2017: £2,350) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 2 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Concepta Plc and Concepta Diagnostics Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over goodwill and other intangible assets, as well as certain account balances and transaction classes that we regarded as material to the Group at the 2 reporting units.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Concepta Plc for the Year Ended 31 December 2018 *continued*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent Company and we remain independent of the group and the parent company in conducting our audit. Out audit opinion is consistent with the additional report to the audit committee.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Sanjay Parmar
Senior Statutory Auditor
For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London EC1V 9EE
13 May 2019

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2018 £	Year Ended 31 December 2017 £
Revenue	4	4,838	108,115
Cost of sales		(540,721)	(519,522)
Gross loss		(535,883)	(411,407)
Other administrative expenses		(2,213,695)	(1,925,482)
Share-based payments		(92,291)	(109,523)
Administrative expenses		(2,305,986)	(2,035,005)
Operating loss	**5**	**(2,841,869)**	**(2,446,412)**
Finance expenses	7	(23,915)	(3,355)
Loss before income tax		**(2,865,784)**	**(2,449,767)**
Tax credit	8	52,277	104,818
Loss for the period		**(2,813,507)**	**(2,344,949)**
Attributable to owners of the parent:		(2,813,507)	(2,344,949)
Loss per ordinary share - basic and diluted (£)	9	(0.02)	(0.02)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2018 £	31 December 2017 £
Non-current assets			
Property, plant and equipment	10	789,189	473,247
Intangible assets	11	509,195	390,743
Total non-current assets		**1,298,384**	**863,990**
Current assets			
Inventories	12	399,182	296,548
Trade and other receivables	13	164,933	678,236
Corporation tax receivable		52,277	104,818
Cash and cash equivalents	14	740,227	1,537,759
Total current assets		**1,356,619**	**2,617,361**
Total assets		**2,655,003**	**3,481,351**
Current liabilities			
Trade and other payables	15	259,681	462,895
Loans and borrowings	16	64,228	16,211
Total current liabilities		**323,909**	**479,106**
Non-current liabilities			
Loans and borrowings	16	227,243	62,310
Total non-current liabilities		**227,243**	**62,310**
Total liabilities		**551,152**	**541,416**
Net assets		**2,103,851**	**2,939,935**
Share capital	17	4,704,917	3,454,917
Share premium account	17	10,448,263	9,813,131
Share-based payment reserve	19	743,178	650,887
Capital redemption reserve		1,814,674	1,814,674
Reverse acquisition reserve		(6,044,192)	(6,044,192)
Retained earnings		(9,562,989)	(6,749,482)
Total equity		**2,103,851**	**2,939,935**

These financial statements were approved and authorised for issue by the board of directors on 13 May 2019 and were signed on its behalf by:

Matthew Walls
Executive Chairman

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share Premium £	Capital redemption reserve £	Retained earnings £	Reverse acquisition reserve £	Share-based payment reserve £	Total £
Equity as at 31 December 2016	**2,740,631**	**8,663,326**	**1,814,674**	**(4,404,533)**	**(6,044,192)**	**541,364**	**3,311,270**
Loss for the period				(2,344,949)			(2,344,949)
Total comprehensive loss	**-**	**-**	**-**	**(2,344,949)**	**-**	**-**	**(2,344,949)**
Issue of shares net of expenses	714,286	1,149,805	-	-	-	-	1,864,091
Share-based payments	-	-	-	-	-	109,523	109,523
Equity as at 31 December 2017	**3,454,917**	**9,813,131**	**1,814,674**	**(6,749,482)**	**(6,044,192)**	**650,887**	**2,939,935**
Loss for the period	-	-	-	(2,813,507)	-	-	(2,813,507)
Total comprehensive loss	**-**	**-**	**-**	**(2,813,507)**	**-**	**-**	**(2,813,507)**
Issue of shares net of expenses	1,250,000	635,132	-	-	-	-	1,885,132
Share-based payments	-	-	-	-	-	92,291	92,291
Equity as at 31 December 2018	**4,704,917**	**10,448,263**	**1,814,674**	**(9,562,989)**	**(6,044,192)**	**743,178**	**2,103,851**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2018 £	Year Ended 31 December 2017 £
Cash flows from operating activities		
Loss before taxation	(2,865,784)	(2,449,767)
Adjustments for:		
Depreciation and amortization	192,260	209,228
Finance expenses	23,915	3,355
Share-based payments	92,291	109,523
Operating loss before working capital changes	**(2,557,318)**	**(2,127,661)**
Changes in working capital		
Increase in inventory	(102,634)	(226,047)
Decrease/(increase) in trade and other receivables	513,302	(463,134)
(Increase)/Decrease in trade and other payables	(203,213)	280,937
Cash used **in operations**	**(2,349,863)**	**(2,535,905)**
Tax received	104,818	96,221
Interest paid on sale & leaseback	(21,415)	(1,142)
Other interests	(2,500)	(784)
Net cash outflow from operating activities	**(2,268,960)**	**(2,441,610)**
Investing activities		
Purchase of property, plant and equipment	(457,836)	(430,033)
Purchase of intangible assets	(169,560)	(240,259)
Sale of asset	742	-
Net cash flows used in investing activities	**(626,654)**	**(670,292)**
Financing activities		
Issue of ordinary shares (net of issue expenses)	1,885,132	1,864,091
Proceeds from sale and leaseback	381,215	118,000
Repayment of sale and leaseback	(168,265)	(40,907)
Net cash flows from financing activities	**2,098,082**	**1,941,184**
Net change in cash and cash equivalents	**(797,532)**	**(1,170,718)**
Cash and cash equivalents at the beginning of the period	**1,537,759**	**2,708,477**
Cash and cash equivalents at the end of the period	**740,227**	**1,537,759**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Concepta PLC (the "Company", formerly, Frontier Resources International PLC) is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is 1 Park Row, Leeds, England, LS1 5AB. The registered company number is 06573154.

The Company was incorporated on 22 April 2008. The Company became an AIM Rule 15 cash shell on 23 March 2016, following the disposal or dissolution of its previous oil and gas related subsidiaries. On 26 July 2016, the Company with its enlarged share capital started trading on AIM, following a reverse takeover of Frontier Resources International PLC (renamed as Concepta PLC).

The Company's principal activity is in the development and commercialisation of mobile health diagnostics medical devices.

The consolidated financial statements comprised of the Company and its subsidiary (together referred to as "the Group") as at and for the period to 31 December 2018. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs), as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed below.

Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiaries ("the Group") as if they formed a single entity for the full period or, in the case of acquisitions, from the date control is transferred to the Group. The Company controls an entity, when 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. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Changes in accounting policies and disclosures
(a) New and amended standards adopted by the Group

The Group has applied any applicable new standards, amendments to standards and interpretations that are mandatory for the financial year beginning on or after 1 January 2018.

The following standards, amendments and interpretations became effective and were applied for the first time this year:

- IFRS 15: Revenue from contracts with customers – the standard establishes the principles that an entity will apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.
- IFRS 9: Financial instruments - under the provisions of the standard the company will need to apply an expected credit loss model when calculating impairment losses on its trade and other receivables (both current and non-current).

The adoption of the new standards has not had a material impact on the company's financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2018 financial statements.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the EU. The Directors do not expect that their adoption will have a material impact on the financial statements of the company in future years except for IFRS 16: Leases.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Management have assessed the impact of the adoption of IFRS 16 in detail and conclude that there is material impact on the Group's consolidated Financial Statements. However, no impact on prior year comparatives.

Going concern

The Directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements.

The forecast contains certain assumptions about the performance of the business including growth in future revenue, the cost model and margins; and importantly the level of cash recovery from trading. The directors are aware of the risks and uncertainties facing the business but the assumptions used are the Directors' best estimate of the future development of the business.

After considering the forecasts and the risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Foreign currency

The functional currency of the Company is Sterling Pound (£) and its subsidiary is also in £. The presentational currency of the Company is £ because a significant amount of its transactions is in £.

Transactions entered by the Group's 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 outstanding monetary assets and liabilities are also recognised in the income statement.

Revenue recognition

Revenue is recognised in according with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when control of the products has been transferred to the customer. Control is considered to have transferred once products have been received by the customer unless shipping terms dictate any different. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the two main directors and two non-executive directors.

The Board considers that the Company's activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Company's financial information.

Employee benefits

(i) Short-term benefits
Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plans
The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the income statement and they become payable in accordance with the rules of the scheme.

Operating leases

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

Leased assets: lessee

Where assets are financed by leasing or sale and leaseback agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income statement over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income statement over the term of the lease and is calculated on an effective interest rate basis. The capital part reduces the amounts payable to the lessor.

Share-based payment

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period and the corresponding entry recorded in the share-based payment reserve. 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.

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 consolidated statement of comprehensive income over the remaining vesting period.

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

Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is provided to write off cost, less estimated residual values, of all property, plant and equipment, except for investment properties and freehold land, evenly over their expected useful lives, calculated at the following rates:

Plant and equipment	- 25% straight line
Furniture, fittings & Equipment	- 25% straight line
Factory equipment	- 50% straight line on second hand assets
Factory equipment	- 12.5% straight line on new assets
Leasehold improvement	- 20% straight line

As no finite useful life for land can be determined, related carrying amounts are not depreciated. The useful life, the residual value and the depreciation method is assessed annually.

The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired and its value reduced by recognising an impairment provision.

Intangible assets

(i) Research and development

Expenditure on research activities as defined in IFRS is recognised in the income statement as an expense as incurred.

Expenditure on the development of the platform comprising a proprietary meter (myLotus meter), fertility hormones strips testing and a mobile phone application and any enhancements to this platform is recognised as intangible assets only when the following criteria are met:

1. it is technically feasible to develop the product to be used or sold;
2. there is an intention to complete and use or sell the product;
3. the Group is able to use or sell the product;
4. use or sale of the product will generate future economic benefits;
5. adequate resources are available to complete the development; and
6. expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready to use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development expenditure is measured at cost less accumulated amortization and accumulated impairment costs. Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years.

Development costs that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(ii) Patent costs

The Group has looked to obtain intellectual property through patents, Company know-how, design rights and trademarks. The Group has a portfolio of patent applications which is currently being pursued.

The costs incurred in obtaining these patents have been capitalised as the Group is confident that the patent applications will be successful.

Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years. The patent costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 from its tax base, except for differences arising on:

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

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

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

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset may be recorded. The deferred tax asset arising on share option awards is calculated as the estimated amount of tax deduction to be obtained in the future (based on the Group's share price at the balance sheet date) pro-rated to the extent that the services of the employee have been rendered over the vesting period. If this amount exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity, against retained earnings. Similarly, current tax relief in excess of the cumulative amount of the Share-based payments expense at the statutory rate is also recorded in retained earnings.

Inventories

Inventories are initially stated at cost, and subsequently at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In respect of work in progress, cost includes a relevant proportion of overheads according to the stage of manufacture or completion.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Equity

Equity comprises the following:

- Share capital: the nominal value of equity shares
- Share premium
- Share-based payment reserve
- Capital redemption reserve
- Reverse acquisition reserve and
- Retained earnings.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Loans and receivables

The Group classifies all its financial assets as Trade and receivables. The classification depends on the purpose for which the financial assets were acquired.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables financial assets comprise other receivables (excluding prepayments) and cash and cash equivalents included in the Statement of Financial Position.

All the Group's customers have made payment in advance before delivery of goods. Therefore, there is no impairment loss to be considered under IFRS 9, apart from a large customer in China where the Group has fully impaired the amount owed.

Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate. The Company's loans and payable comprise trade and other payables (excluding other taxes and social security costs and deferred income).

When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value through the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

The Company determines the classification of its financial liabilities at initial recognition and re-evaluate the designation at each financial year end.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Sales and leaseback

A sale and leaseback transaction is one where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer.

The leaseback transaction is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. This is the case with the Group's equipment which is under this arrangement.

For sale and finance leasebacks, any profit from the sale is deferred and amortised over the lease term. For sale and operating leasebacks, generally the assets are sold at fair value, and accordingly the profit or loss from the sale is recognised immediately in the consolidated income statement. No profit was recognised during the year as the fair value of the assets approximates the carrying value of the asset sold.

Summary of critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

- **Useful lives of depreciable assets**

Management reviews the useful lives and residual value of depreciable assets at each reporting date to ensure that the useful lives represent a reasonable estimate of likely period of benefit to the Group. Tangible fixed assets are depreciated over their useful lives taking into account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Intangible assets (including capitalised development costs)**

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

- **Share-based payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19 Share-based payments.

- **Taxation**

In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period in which such a determination is made. The carrying values of current tax are disclosed separately in the statement of financial position.

3. Financial Risk Management

Financial instruments by category

Financial Assets	31 December 2018 £	31 December 2017 £
Cash and cash equivalents	740,227	1,537,759
Trade receivables – net of provision	-	118,606
Other receivables	50,775	392,843
Financial assets	**791,002**	**2,049,208**

Financial liabilities	31 December 2018 £	31 December 2017 £
Trade payables	154,941	333,840
Accruals	84,197	96,230
Trade and other payables	239,138	430,070
Loans and borrowings		
Finance leases and hire purchases	291,471	78,521
Loans and borrowings	291,471	78,521
Financial liabilities at amortised costs	**530,609**	**508,591**

Fair value hierarchy

All the financial assets and financial liabilities recognised in the financial statements which are short-term in nature are shown at the carrying value which also approximates the fair values of those short-term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required for them. The disclosure on fair value hierarchy does not apply to the financial leases.

The Group's activities expose it to a variety of financial risks, mainly credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy.

The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of bank balances. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings.

Liquidity risk

The Group currently holds cash balances to provide funding for normal trading activity and is managed centrally. Trade and other payables are monitored as part of normal management routine.

3. Financial Risk Management *continued*

The maturity of borrowings and other financial liabilities (representing undiscounted contractual cash-flows) is as follows:

2018	Within 1 year £	1-2 years £	2-5 years £
Trade and other payables	239,138	-	-
Finance leases and hire purchases	84,395	84,395	171,158
Total	323,533	84,395	171,158

2017	Within 1 year £	1-2 years £	2-5 years £
Trade and other payables	430,070	-	-
Finance leases and hire purchases	21,609	19,947	51,528
Total	451,679	19,947	51,528

Market risk - interest rate risk

The Group carries loans and borrowings in the form of sale & leaseback loan in 2018 and 2017. The Group's exposure to cash flow interest rate risk is minimal. The finance lease associated with the sale and leaseback are fixed monthly lease payment and is not subject to change over the period of the lease.

The amounts outstanding at the end of 2018 and the interest rate and repayment profiles for the loans and borrowings are disclosed in the note: leases.

Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern; and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Company through to profitability and positive cash flow.

All working capital requirements are financed from existing cash resources.

4. Segment information

The Group has one operating segment which is involved in the provision of diagnostic healthcare products.

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Revenue from contracts with customers	4,838	108,115
Finance expenses	(23,289)	(3,355)
Segment loss after tax	(2,353,499)	(1,917,921)
Corporate loss after tax	(460,008)	(427,028)
Group loss after tax	(2,813,507)	(2,344,949)

All the segment assets are located in UK.

Segment assets	1,955,571	1,990,246
Corporate assets	699,432	1,491,105
Total assets	2,655,003	3,481,351
Segment liabilities	480,660	422,816
Corporate liabilities	70,492	118,600
Total liabilities	551,152	541,416
Segment depreciation and amortisation expenses	192,260	209,228
Segment purchase of tangible and intangible assets	627,396	670,292

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 *CONTINUED*

5. Loss from operations

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Loss is stated after charging:		
Audit remuneration – audit fees	24,977	18,500
Other services:		
Audit fees – subsidiary	9,000	9,000
Non-audit fees – all assurance services	-	1,000
Depreciation of property, plant and equipment	141,152	143,719
Amortisation of intangible assets	51,108	65,509
Research and development costs[1]	558,181	427,113
Legal and professional fees	19,832	23,662
Staff costs excluding R&D staff (note 6)	812,802	641,151
Operating lease rentals	72,517	84,883
Foreign exchange losses	4,134	8,510
Fund raising expenses	40,074	-
Bad debt provision	107,811	-
Separately disclosed items within administration expenses		
Share-based payments[2]	92,291	109,523

[1] Including R&D staff costs, net of capitalised development costs.
[2] Share-based payments relate to costs of share options issued to employees (including directors) and consultants/professionals estimated in accordance with IFRS 2 'share-based payment'.

6. Employees and directors

The average number of employees (including directors) during the period was made up as follows:

	Year ended 31 December 2018 Number	Year ended 31 December 2017 Number
Directors (including non-executive directors)	6	6
Manufacturing	5	2
Administrative	2	3
	13	11
Research and development	5	6
Total	18	17

The cost of employees (including directors) during the period was made up as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2017 (restated)* £
Salaries and wages (including directors)	810,245	813,298
Social security costs	72,325	81,426
Pension costs	44,220	30,281
Severance costs	30,000	-
Share-based payments (relating to employees)	92,291	38,347
Staff costs including R&D staff	**1,049,081**	**963,352**
Less: R&D staff costs included in research and development expense		
Salaries and wages	(197,959)	(274,932)
Social security costs	(24,341)	(28,386)
Pension costs	(8,601)	(11,376)
Share-based payments	(5,378)	(7,507)
R&D staff costs	**(236,279)**	**(322,201)**
Salaries and wages (including directors)	612,286	538,366
Social security costs	47,984	53,040
Pension costs	35,619	18,905
Severance cost	30,000	-
Share-based payments (relating to employees)	86,913	30,840
Staff costs excluding R&D staff	**812,802**	**641,151**

*For comparability purposes, staff costs for 2017 have been restated to include salaries and wages for all directors (executive and non-executive) and production staff costs.

6. Employees and directors *continued*

Key management personnel compensation
The compensation of key management personnel, principally directors of Concepta PLC for the period were as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Salaries/fees	381,767	296,830
Pension costs	16,778	11,400
Social security costs	27,554	24,697
	426,099	**332,927**
Share-based payments	92,146	23,931
	518,245	**356,858**

The above remuneration (including share-based payments) of directors includes the following amounts paid to the highest paid Director:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Highest paid Director	125,895	168,831

7. Finance income and expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Finance expenses		
Interest paid	**-**	**1**
Interest paid on finance lease	**21,415**	**2,570**
Other interests	**2,500**	**784**
Total finance expenses	**23,915**	**3,355**

8. Tax credit

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
The tax credit is as follows:		
UK Corporation tax		
Tax credit – current year	52,277	104,818
Total tax credit	**52,277**	**104,818**

The current corporation tax credit for year ended 31 December 2018 and 2017 relates to a tax receivable in respect of UK research and development activity.

Factors affecting the tax credit

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the result for the year are as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Loss on ordinary activities before income tax	(2,865,784)	(2,449,767)
Standard rate of corporation tax	19.00 %	19.247%
Loss before tax multiplied by the standard rate of corporation tax	544,499	471,498
Effects of:		
Non-deductible expenses	(25,149)	(21,080)
Deferred tax not recognised	(489,566)	(283,472)
Additional deduction for R&D expenditure	38,718	80,766
Effect of different rate for R&D tax credit	(16,225)	(142,894)
Tax credit	52,277	104,818

Changes in tax rates

UK small company's corporation tax rate has been maintained at 19% for the two periods. Accordingly, the deferred tax liability has been calculated based on the rate of 19% at the balance sheet date. Future enacted tax rates of 19% will apply from 1 April 2018 and 17% from 1 April 2020.

The Group has not recognised deferred tax assets arising from the accumulated tax losses and timing differences of £6,736,320 (2017: £4,395,508) due to uncertainty of their future recovery.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 *CONTINUED*

9. Earnings per share

	Year ended 31 December 2018	Year ended 31 December 2017
Basic and diluted		
Loss for the period and earnings used in basic & diluted EPS (£)	(2,813,507)	(2,344,949)
Weighted average number of shares used in basic and diluted EPS	158,321,675	112,564,863
Loss per share (£)	(0.02)	(0.02)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Due to the loss in the periods the effect of the share options was considered anti-dilutive and hence no diluted loss per share information has been provided.

10. Property, plant and equipment

	Plant & Equipment £	Factory Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost				
At 31 December 2016	**376,640**	**-**	**15,456**	**392,096**
Additions	335,410	117,863	94,760	548,033
Disposals[1]	(118,000)	-	-	(118,000)
At 31 December 2017	**594,050**	**117,863**	**110,216**	**822,129**
Additions	834,425	-	4,626	839,051
Disposals[1]	(381,215)	-	(1,047)	(382,262)
At 31 December 2018	**1,047,260**	**117,863**	**113,795**	**1,278,918**
Depreciation				
At 31 December 2016	**195,682**	**-**	**9,481**	**205,163**
Charge for the period	105,418	22,701	15,600	143,719
At 31 December 2017	**301,100**	**22,701**	**25,081**	**348,882**
Charge for the period	106,935	13,466	20,751	141,152
Disposal	-	-	(305)	(305)
At 31 December 2018	**408,035**	**36,167**	**45,527**	**489,729**
Net book value				
At 31 December 2017	292,950	95,162	85,135	473,247
At 31 December 2018	**639,225**	**81,696**	**68,268**	**789,189**

10. Property, plant and equipment *continued*

[1]Disposed as part of the sale and leaseback arrangement.

Assets held under finance leases or hire purchase contracts

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and equipment	448,726	118,000
	448,726	118,000

The depreciation charge for these assets in 2018 was £50,489 (2017: £nil). In 2017, there was no depreciation charge as the equipment was not in use in the period.

11. Intangible assets

	Patents £	Development costs £	Total £
Cost			
At 31 December 2016	**41,467**	**192,496**	**233,963**
Additions	10,434	229,825	240,259
At 31 December 2017	**51,901**	**422,321**	**474,222**
Additions	37,604	131,956	169,560
At 31 December 2018	**89,505**	**554,277**	**643,782**
Amortisation			
At 31 December 2016	**1,654**	**16,316**	**17,970**
Charge for the year	6,228	59,281	65,509
At 31 December 2017	**7,882**	**75,597**	**83,479**
Charge for the year	7,810	43,298	51,108
At 31 December 2018	**15,692**	**118,895**	**134,587**
Net book value			
At 31 December 2017	44,019	346,724	390,743
At 31 December 2018	**73,813**	**435,382**	**509,195**

12. Inventories

	31 December 2018 £	31 December 2017 £
Raw materials	269,113	272,990
Work in progress	67,659	23,558
Finished goods	62,410	-
	399,182	**296,548**

The cost of inventories recognised as an expense and included in research and development costs in the year amounted to £39,480 (2017: £45,798).

13. Trade and other receivables

	31 December 2018 £	31 December 2017 £
Trade receivables – net	-	118,606
Prepayments	62,941	95,301
Other receivables	50,775	392,843
VAT receivable	51,217	71,486
	164,933	**678,236**

14. Cash and cash equivalents

	31 December 2018 £	31 December 2017 £
Cash at bank and in hand	740,227	1,537,759

Where cash at bank earns interest, interest accrues at floating rates based on daily bank deposit rates.
The fair value of the cash & cash equivalent is as disclosed above.
For the purpose of the cash flow statement, cash and cash equivalents comprise of the amounts shown above.

15. Trade and other payables

	31 December 2018 £	31 December 2017 £
Trade payables	154,941	333,393
Accruals and deferred income	84,197	96,230
Social security & other taxes payable	20,543	32,825
Other payables	-	447
	259,681	**462,895**

16. Loans and borrowings

	31 December 2018 £	31 December 2017 £
Current		
Finance lease	64,228	16,211
Non-current		
Finance lease	227,243	62,310
	291,471	**78,521**

The finance lease liabilities are secured by a fixed charge over all the assets of Concepta Diagnostics Limited. See note 20 for more details on the finance lease liabilities at 31 December 2018.

17. Share capital and reserves

	Authorised Ordinary shares of £0.025 each		Share premium	Total consideration
	Number	Nominal value £	£	£
At 31 Dec 2016	**109,625,247**	**2,740,631**	**8,663,326**	**11,403,957**
Shares issued (net expenses)	28,571,428	714,286	1,149,805	1,864,091
At 31 Dec 2017	**138,196,675**	**3,454,917**	**9,813,131**	**13,268,048**
Shares issued (net expenses)	50,000,000	1,250,000	635,132	1,885,132
At 31 Dec 2018	**188,196,675**	**4,704,917**	**10,448,263**	**15,153,180**

On 2 August 2018 50,000,000 ordinary shares were at issued at £0.04 each for a total consideration of £2 million before expenses of £114,868.

All shares of the Company rank pari passu in all respects.

18. Reserves

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

Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based payment reserve	Cumulative fair value of share options granted and recognised as an expense in the Income Statement.
Capital redemption reserve	The aggregate nominal value of all the ordinary shares repurchased and cancelled by the Company. The reserve is non-distributable.
Reverse acquisition reserve	Effect on equity of the reverse acquisition of Concepta Diagnostics Limited.
Retained earnings	Retained earnings represents all other net gains and losses and transactions with shareholders (example dividends) not recognised elsewhere.

19. Share-based payments

The Company operates two option schemes, namely an unapproved option scheme and an Enterprise Management Incentive (EMI) scheme. The EMI scheme is for employees and directors and the unapproved option scheme is for consultants involved in the healthcare operation.

Share and warrant based payment charged to the Group's profit or loss for the period were as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Options issued to employees and directors of parent	77,368	23,931
Options issued to employees and services received of subsidiary	14,923	25,948
Warrants issued for services received	-	59,644
Total share-based payments	**92,291**	**109,523**

The table below set outs the number and weighted average exercise price (WAEP) of, and movements in, the Company's share options scheme in the period:

Share options

	31 December 2018		31 December 2017	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	4,044,000	0.088	3,804,000	0.057
Granted during the year	10,409,834	0.040	240,000	0.166
Lapsed during the year	(315,000)	(0.166)	-	-
At 31 December	14,138,834	0.052	4,044,000	0.088

The EMI options vests provided the employees remain in the service of the Company or subsidiary for a period of 3 years from the grant date or vest equally over 3 years from grant date. The unapproved options vested either on the date of grant or time vest over 2 years from date of employment. The fair value of the new share options was estimated using the Black Scholes model.

There were no options exercised during the period.

19. Share-based payments *continued*

The following share options of the Company were outstanding in respect of Ordinary shares at 31 December:

	Concepta PLC options scheme 31 December 2018	Concepta PLC options scheme 31 December 2017
EMI scheme		
Number of options	3,144,400	2,459,400
Exercise price range (£)	0.06-0.166	0.075-0.166
Exercise period	April 2017 - February 2028	April 2017 - December 2026
Unapproved scheme		
Number of options	10,994,434	1,584,600
Exercise price range (£)	0.04-0.075	0.075
Exercise period	July 2016 - September 2028	July 2016 - July 2025

The weighted average remaining contractual life for the EMI and non-approved share options outstanding at 31 December 2018 was 8.3 years (2017: 7.8 years).

The fair value of equity settled share options granted under the Company's share option schemes is estimated as at the date of grant using the Black Scholes model. The following table lists the inputs and key output to the model:

	options scheme 31 December 2018	options scheme 31 December 2017
Weighted average fair value at grant date (£)	0.022	0.08
Weighted average share price (£)	0.042	0.166
Exercise price (£)	0.166-0.075	0.166
Expected volatility	100%	100%
Expected options life (years)	2-3	1-3
Expected dividends	0%	0%
Risk-free interest rate	0.51% - 0.77%	0.25%

Warrants

	31 December 2018		31 December 2017	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	9,571,360	0.096	8,189,393	0.100
Granted	-	-	1,381,967	0.07
Lapsed	(339,093)	(0.166)	-	-
At 31 December	9,232,267	0.090	9,571,360	0.096

19. Share-based payments *continued*

No warrants were granted during the year. The fair value of the warrants is estimated as at the date of grant using the Black Scholes model. The following table lists the inputs and key output to the model:

	31 December 2018	31 December 2017
Weighted average share price £	-	0.070
Weighted average fair value at grant date £	-	0.043
Expected volatility	-	100%
Expected options life – years	-	3
Expected dividends	-	-
Risk-free interest rate	-	0.53%

At 31 December 2018, the following warrants were outstanding in respect of £0.025 ordinary shares and all are exercisable by expiry date:

Grant date	Number	Exercise price	Expiry date
26/7/2016	50,000	2.5	11/12/2018
26/7/2016	7,800,300	0.075	7/26/2021
16/11/2017	1,381,967	0.070	16/11/2020
	9,232,267		

20. Lease commitments

Operating leases

The Group leases certain land and buildings. Some of the rents payable under these leases are subject to review at intervals specified in the lease. The lease terms are between 5 to 10 years and with break clause. The Group also leases certain plant and equipment under cancellable operating lease agreement. The total future value of minimum lease payments is due as follows:

31 December 2018	Plant and equipment £	Land and building £	Total £
Within one year	779	95,300	96,079
Between one and five years	1,493	300,244	301,737
After more than five years	-	98,112	98,112
	2,272	493,656	495,928

31 December 2017	Plant and equipment £	Land and building £	Total £
Within one year	779	84,913	85,692
Between one and five years	2,272	322,941	325,213
After more than five years	-	132,612	132,612
	3,051	540,466	543,517

The Group also has an office rental lease which can be cancelled at anytime.

20. Lease commitments *continued*

Finance leases

During 2018 the Company entered into capital lease agreement with a leasing company for the sale & lease back of equipment £381,215. The lease payments expire at July 2022 and February 2023. The total future value of minimum lease payments is due as follows:

31 December 2018	Minimum lease payments £	Interest £	Present value £
Within one year	84,395	20,167	64,228
Between one and five years	255,553	28,310	227,243
	339,948	48,477	291,471

31 December 2017	Minimum lease payments £	Interest £	Present value £
Within one year	21,609	5,398	16,211
Between one and five years	71,475	9,165	62,310
	93,084	14,563	78,521

21. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follow:

	31 December 2018 £	31 December 2017 £
Property, plant and equipment	-	376,974

Of the contracted amount, £174,949 was paid during the reporting period for 2017.

22. Related Party Transactions

During the period the Company entered into the following transactions with related parties:

Related party	Transaction	Note	31 December 2018 £	31 December 2017 £
Adaxis Limited	Consultancy fees	1	-	1,010
Reyco Limited	Non-executive director fees and expenses	2	52,642	53,074
CFPro Limited	Accounting fees	3	119,774	121,267
Cambridge Financial Partners LLP	Subsistence expenses	3	3,579	2,108
Cambrian Limited	Non-executive director fees	4	-	12,500
Mercia Investments	Non-executive director fees	5	20,000	28,717
Matthew Walls	Executive director fees	6	94,605	-
Amount outstanding at year end (included in Trade and other payables)				
Reyco Limited			2,500	5,264
CFPro Limited			10,677	5,140
Cambridge Financial Partners LLP			322	(4)

1. Mr Erik Henau has an interest in Adaxis Limited. The fees paid were for his consultancy work. Mr Henau is a director of Concepta PLC and Concepta Diagnostics Limited.
2. Mr Adam Reynolds, a non-executive director of Concepta PLC is a director of and has an interest in Reyco Limited.
3. Service fees were paid to CFPro Limited and Cambridge Financial Partners LLP for accounting and consultancy support, companies in which Barbara Spurrier has an interest. Barbara Spurrier is a director of Concepta PLC.
4. Mr Neil Herbert, a non-executive director of Concepta PLC has an interest in Cambrian Limited.
5. Dr Mark Wyatt & Mr Peter Dines, non-executive director fees were paid to Mercia Investments Limited, a subsidiary of Mercia Technologies PLC, a shareholder of Concepta PLC.
6. Mr Matthew Walls, an executive director of Concepta PLC. The fees paid were for his director and consultancy work.

23. Events after the reporting date

On 26 April 2019, the Company raised £2,302,500 (before expenses) through a placing and subscription of 76,750,000 new Ordinary Shares at 3p per ordinary share. The primary use of the net proceeds will be to strengthen and develop the marketing and additional working capital requirements of the Company and to target strategic commercial contracts to internationally exploit the myLotus product and technology.

24. Ultimate controlling party

There is no ultimate controlling party of the Company.

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2018 £	31 December 2017 £
Non-current assets			
Investments in subsidiaries	4	4,535,684	4,637,138
Net amounts due from subsidiaries	6	4,946,226	2,596,093
Total non-current assets		**9,481,910**	**7,233,231**
Current assets			
Trade and other receivables	5	10,413	25,724
Cash and cash equivalents	7	692,239	1,467,570
Total current assets		**702,652**	**1,493,294**
Total assets		**10,184,562**	**8,726,525**
Current liabilities			
Trade and other payables	8	73,711	120,788
Total current liabilities		**73,711**	**120,788**
Net assets		**10,110,851**	**8,605,737**
Share capital	9	4,704,917	3,454,917
Share premium		10,448,263	9,813,131
Capital redemption reserve		1,814,674	1,814,674
Share-based payment reserve		714,131	621,840
Retained losses		(7,571,134)	(7,098,825)
Total equity		**10,110,851**	**8,605,737**

These financial statements were approved and authorised for issue by the board of directors on 13 May 2019 and were signed on its behalf by:

Matthew Walls
Executive Chairman

Company Registration Number: 06573154

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share Premium £	Capital redemption reserve £	Share-based Payment Reserve £	Retained losses £	Total £
Equity as at 31 December 2016	**2,740,631**	**8,663,326**	**1,814,674**	**512,317**	**(6,818,746)**	**6,912,202**
Loss for the year	-	-	-	-	(280,079)	(280,079)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(280,079)**	**(280,079)**
Issue of shares (net of expenses)	714,286	1,149,805	-	-	-	1,864,091
Share-based payments	-	-	-	109,523	-	109,523
Equity as at 31 December 2017	**3,454,917**	**9,813,131**	**1,814,674**	**621,840**	**(7,098,825)**	**8,605,737**
Loss for the year	-	-	-	-	(472,309)	(472,309)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(472,309)**	**(472,309)**
Issue of shares (net of expenses)	1,250,000	635,132	-	-	-	1,885,132
Share-based payments	-	-	-	92,291	-	92,291
Equity as at 31 December 2018	**4,704,917**	**10,448,263**	**1,814,674**	**714,131**	**(7,571,134)**	**10,110,851**

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

	Year ended 31 December 2018 £	Year Ended 31 December 2017 £
Cash flows from operating activities		
Operating loss before taxation	(472,309)	(280,079)
Adjustments for:		
Finance expenses	-	312
Finance income	(103,450)	(146,949)
Impairment of investment in subsidiary	116,377	-
Share-based payments	77,368	83,576
Operating loss before working capital changes	**(382,014)**	**(343,140)**
Changes in working capital		
(Decrease)/Increase in trade and other receivables	15,311	(6,861)
(Decrease)/Increase in trade and other payables	(47,078)	30,095
Net cash outflow from operating activities	**(413,781)**	**(319,906)**
Investing activities		
Loan to subsidiary undertakings	(2,246,056)	(2,636,492)
Net cash flows used in investing activities	**(2,246,056)**	**(2,636,492)**
Financing activities		
Proceeds from issue of share capital	1,885,132	1,864,090
Interest paid	(626)	(312)
Net cash flows from financing activities	**1,884,506**	**1,863,778**
Net change in cash and cash equivalents	**(775,331)**	**(1,092,620)**
Cash and cash equivalents at the beginning of the year	**1,467,570**	**2,560,190**
Cash and cash equivalents at the end of the year	**692,239**	**1,467,570**

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

The accounting policies that are applicable, as set out in note 2 to the consolidated financial statements have been applied together with the following accounting policies below that have been consistently in the preparation of these Concepta PLC ("the Company") financial statements.

Basis of preparation

The financial statements of Concepta PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(IV) of IAS 1 – a reconciliation of the share capital at beginning and end of the period;

b) the requirements of paragraphs 134 – 136 of IAS 1 'Presentation of Financial Statements' to disclose the management of the capital of the Company;

c) the requirements of paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' to disclose the new or revised standards that have not been adopted and information about their likely impact;

d) all of the disclosure requirements of IFRS 7 'Financial Instruments: Disclosures';

e) the requirements of paragraph 17 of IAS 24, 'Related Party Disclosures' to disclose key management personnel; and

f) the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiaries which is a party to the transaction is wholly owned by such a member.

Investments in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. The value of the investment was impaired in 2018 – see note 4 Investments in subsidiary undertakings for more details.

Share-based payments

The accounting policy for share-based payments is disclosed in note 2 to the consolidated financial statements.

Taxation

The accounting policy for taxation is disclosed in note 2 to the consolidated financial statements.

Critical accounting estimates and judgments

The preparation of financial information in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

1. Measurements of the share-based payment and taxation. These are detailed in the Group accounts under note 2. Accounting Policies – Summary of critical accounting estimates and judgements.
2. Impairment of investment impairment. This is detailed in the accounting policy Investment in subsidiaries above.
3. The net amounts due from subsidiaries were measured at amortised cost using the effective interest method. Management estimated the effective interest rate used for the amortised cost calculation and the repayment period was based on management judgement.

2. Company income statement

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own income statement. The Company's loss for the year was £472,309 (2017: £280,079) and is included within the consolidated statement of comprehensive income.

3. Staff costs

The cost of employees (including directors) during the period was made up as follows:

	2018 £	2017 £
Salaries (including directors)	367,129	348,488
Pension costs	26,095	15,775
Social security costs	27,054	29,964
Benefits in kind	2,778	1,811
Share-based payments (relating to employees)	77,368	23,931
Total staff costs	**500,424**	**419,969**

4. Investments in subsidiary undertakings

	Investment in subsidiary £
At 31 December 2017	**6,390,761**
Share based payments for Concepta Diagnostics Limited	14,923
At 31 December 2018	**6,405,684**
IMPAIRMENT	
At 31 December 2017	**1,753,623**
Impairment of investment in subsidiary	116,377
At 31 December 2018	**1,870,000**
Net book value	
At 31 December 2017	4,637,138
At 31 December 2018	**4,535,684**

The principal undertaking in which the company's interest at the year-end is as follows:

Name	Country of incorporation	Proportion of ownership interest at 31 December 2018	Nature of business
Concepta Diagnostics Limited	United Kingdom	100.0%	Healthcare business

5. Trade and other receivables

	31 December 2018 £	31 December 2017 £
Prepayments	10,413	25,724
	10,413	**25,724**

All amounts are due within three months. No amounts are past due.

6. Net amounts due from subsidiaries

At initial recognition, the fair value of the interest-free carrying amounts owed by group undertakings (“the loan”) at 31 December 2018 was measured at the present value of all future cash receipts discounted using the prevailing market interest rate of 2.8% (2017: 6%) and management considered the loan to be repaid by end of five years. The difference between the initial carrying amount and the fair value was capitalised and included in ‘investments in subsidiary undertakings’. After initial recognition, the loan was measured at amortised cost using the effective interest method. The corresponding entry of the deemed interest income of £104,076(2017:£146,949) for the year included in the fair value was credited to profit or loss.

7. Cash and cash equivalent

	31 December 2018 £	31 December 2017 £
Cash at bank and in hand	692,239	1,467,570

8. Trade and other payables

	31 December 2018 £	31 December 2017 £
Trade payables	28,297	40,145
Accruals and deferred income	36,907	61,310
Social security & other taxes payable	8,507	19,333
	73,711	**120,788**

9. Share capital

For details of share capital see note 17 of the consolidated financial statements.

10. Share-based payments

For details of share-based payments see note 19 of the consolidated financial statements.

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with Concepta Diagnostics Limited that is wholly owned subsidiary of Concepta PLC. There are no other related party transactions other than those relating to Directors that have been disclosed in note 22 to the consolidated statements.

12. Commitments

The Company has no lease or capital commitments at the end of the reporting period.

13. Contingent liabilities

The Company has no contingent liabilities.

14. Ultimate controlling party

The Company does not have an ultimate controlling party.

15. Events after the reporting date

For details of events after the reporting date see note 23 of the consolidated financial statements.

OFFICERS AND ADVISORS

Directors:	Matthew Walls (Executive Chairman) David Darrock (Chief Operating Officer) Barbara Spurrier (Chief Financial Officer) Peter Dines (Non-Executive Director) Adam Reynolds (Non-Executive Director) Neil Mesher (Non-Executive Director)
Company secretary and registered office:	Barbara Spurrier 1 Park Row Leeds LS1 5AB
Nominated advisor:	Spark Advisory Partners Ltd 5, St John's Lane Farringdon London EC1M 4BH
Broker:	NOVUM Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH
Banker:	HSBC Harry Weston Road Binley Coventry CV3 2SH
Auditors:	Jeffreys Henry LLP 5-7 Cranwood Street Finsgate London EC1V 9EE
Solicitors:	BPE Solicitors LLP St. James House St. James Square Cheltenham GL50 3PR
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