Physiomics

Physiomics Plc

Annual Report and Financial Statements

For the Year Ended

30 June 2019

Company Registration No. 04225086

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Physiomics

Contents

Officers and Professional Advisors

DIRECTORS

Dr P B Harper	Chairman
Dr J S Millen	Chief Executive Officer
Dr C D Chassagnole	Chief Operating Officer

SECRETARY

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OX4 4GA

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Barclays Bank UK Plc
Leicester
LE87 2BB

BANKER

National Westminster Bank Plc
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Norfolk
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NOMINATED ADVISER

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W1K 3SQ

SOLICITOR

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Milton Road,
Cambridge
CB4 0DP

BROKER

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Physiomics Plc is a limited liability company incorporated in England & Wales and domiciled in the United Kingdom.

Physiomics

Highlights

Financial Highlights

- Total income (revenue and grant income) increased 53% to £783,101 (2018: £512,899)
- The operating loss decreased 23% to £201,219 (2018 £260,391)
- The loss after taxation decreased 43% to £104,040 (2018: £183,341)
- At 30 June 2019, the surplus of shareholders' funds was £607,914 (30 June 2018: £690,026)
- Cash and cash equivalents at 30 June 2019 of £405,366 (30 June 2018: £571,869)

Operational highlights:

- Agreements signed with Merck KGaA for £435,000 for consulting services in calendar year 2019
- Addition of two new biotech clients, Convert Pharmaceuticals (Belgium) and Bicycle Therapeutics (UK)
- Attendance at major conferences including EORTC-NCI-AACR (Dublin), Biotech Showcase (San Francisco), AACR (Atlanta), BioTrinity (London) and PAGE (Stockholm)
- Presentation of posters at both the AACR and PAGE conferences
- Signing of a strategic collaboration with the Medicines Discovery Catapult (Alderley Park, UK)
- Completion of Innovate UK funded personalised oncology project and presentation at NIHR/ ICR event at the Royal Marsden Hospital
- Transfer of NOMAD services to Strand Hanson Limited.

"The Company continues to make good progress, maintaining the momentum seen in the previous year. We are excited to be working with two new biotech clients (Convert Pharmaceuticals and Bicycle Therapeutics) as well as, for the first time, Cancer Research UK (announced just after the end of the period). The landmark deal with Merck KGaA was renewed reflecting the recognition by the Merck team of the quality and value on both the modelling itself and of the quality of the interpretation and guidance provided by an experienced Physiomics® team. The relationship with Merck represents an independent endorsement of the quality of the Physiomics® package in the drug discovery field in oncology which has allowed Dr Millen and his team to create new relationships and to secure new contracts. This success has led to a healthy pipeline of new opportunities going forward. It is also my firm belief that the emerging personalised medicine package will add significantly to the Company's skill set, opening wholly new opportunities. Meanwhile the team has embarked on a more extensive business development strategy aimed at bringing in new business."

Dr Paul Harper, Non-Executive Chairman

Chairman and Chief Executive Officer's Statement

Introduction

We are pleased to report in the financial year ended 30 June 2019, for the second year running, the Company achieved its highest ever level of total income. A combination of the acquisition of two important new clients, repeat business from some existing ones and a second year of significant commitments by Merck KGaA, all contributed to what was our most successful year to date. Increased marketing spend, publicity relating to the Merck contract and important new clients who have shared their name publicly have all helped to create the momentum we've experienced in the last twelve months as well as the increasing recognition that Physiomics is becoming the "go-to" company for cancer modelling services.

In addition, the Company completed its second Innovate UK grant in consecutive years in the field of personalised cancer treatment. The project achieved a good level of engagement with clinicians including an important presentation at the Royal Marsden Hospital (one of the UK's leading cancer centres) at an event jointly organised with the National Institute for Health Research and the Institute for Cancer Research.

The key areas of focus for the Company are outlined in this statement and explored further in the Strategic Report.

Financial Review

The Company's full year total income of £783,101 reflects these achievements, being the highest in its history, and a 53% increase on the previous full year to 30 June 2018. Total income grew to £411,195 in the second half compared with the first half unaudited total income of £371,906, showing a steady growth of the business from period to period.

The operating loss decreased 23% to £201,219 (2018 £260,391). The loss after taxation decreased 43% to £104,040 (2017: £183,341).

Following the Company's placing in May 2018, the Company allocated funds to expand the in-house team, increase marketing spend and update its IT infrastructure, all of which have helped to generate and support the increased level of business transacted during this financial year compared with previous years.

Net assets at the year-end were £607,914 (2018: £690,026) of which £405,366 (2018: £571,869) comprised cash and cash equivalents. Net cash outflow from operating activities fell by £26,025 (2018: £267,477) compared with the previous year although this was offset by increased investment in IT infrastructure (see Cash Flow statement below). No further funds were raised during this financial year.

Staff

As a consulting business, our staff are critical to our business and represent not just the "engine room" but also the client facing side of Physiomics. The Company's decision to hire an additional full-time employee to supplement its delivery team in July 2018 has allowed it to execute more client and grant business than ever before. The Board regularly reviews staffing versus workload and as required the Company will consider expanding its permanent, full-time, in-house team to address its increasing workload.

We would like to thank our staff for their hard work and commitment during the year.

Outlook

With another record year behind us, we continue our journey to becoming a sustainably profitable business. In the next twelve months we're aiming to execute more projects than ever before and to add further new clients both in the UK, Europe and North America. We expect and indeed welcome a balance between larger and small clients and target a further diversification of our client base. In parallel with our core commercial activities we are actively exploring how we can capitalise on the expertise and capabilities we've developed in the field of personalised medicine.

Dr Jim Millen, Chief Executive Officer

Dr Paul Harper, Non-Executive Chairman

Strategic Report

Principal activities

Physiomics is engaged in providing consulting services to pharmaceutical companies in the areas of outsourced quantitative pharmacology and computational biology, using a combination of industry standard technologies and its own proprietary technology platform, Virtual Tumour™. In simple terms, this means helping companies to put the right drugs together, at the right dose, in the right types of cancer to help achieve the best possible results and the most economic cost.

Modelling and simulation utilising Virtual Tumour™

The Company's focus is almost exclusively in the provision of modelling, simulation and data analysis services covering the full range of oncology R&D. Its main commercial revenue driver is its proprietary Virtual Tumour™ ("VT") predictive software in the pre-clinical and clinical space. The Company has significant expertise and experience in other approaches to quantitative pharmacological analysis which it has been able to leverage effectively in parallel with VT, often with the same clients.

Personalised medicine

In addition to its core modelling and simulation business, the Company has continued to develop its technology for use in the field of personalised medicine. To date this has been funded by two Innovate UK Grants, with the most recent grant project having been completed in April 2019. The term "personalised medicine" is used in many ways but is most often associated with the use of genetic markers in the selection of drugs to treat a particular group of patients. Physiomics' approach has been to use its expertise in interpreting pre-clinical and clinical cancer data to help predict when to treat patients and using how much drug. This approach relies more on advanced analytical techniques many of which (such as machine learning and neural networks) are in the field of artificial intelligence.

Business Model

Working in the late discovery, preclinical and clinical phases of pharmaceutical R&D, Physiomics adds value by helping companies to drive insights from their data. This is achieved in a variety of ways ranging from data analysis, visualisation and interpretation to mathematical modelling of pharmacokinetic and pharmacodynamic effects (i.e. how much drug is in the body and what effect it is having). The end result is that our clients are in a better position to optimise the treatments they are developing by selecting the right targets, drugs, dosages, timing and combinations. We believe that we add particular value in early development during the transition from pre-clinical to first in man studies where our experience and capabilities have been helpful in supporting clients such as UK based CellCentric in identifying optimal clinical trial designs and justifying this to regulatory authorities. In the 2018/19 financial year, the Company has been able to:

- Support big pharma companies in making strategic decisions about which combinations of novel agents and traditional agents they should progress to clinical development. As the costs of these clinical trials run into the millions of pounds, picking the right combinations can potentially save significant time and money
- Support small and medium sized biotechs by providing a full spectrum of pharmacokinetic and

pharmacodynamic modelling, analysis and interpretation services as well as by helping them to translate their pre-clinical data to clinical settings and enable them to respond more dynamically to new data coming out of their first human studies.

The Company is beginning to see an increased willingness for clients to allow their name to be associated with Physiomics® in press releases which we believe is an indication of the value that we're adding and the increased credibility and recognition of the Physiomics® brand. We believe that this in turn further improves our ability to attract and retain new business (as evidenced by the significant increase in revenue the Company has achieved this year).

Commercial Approach

The Company's main commercial business is the provision of consulting services which rely substantially on our Virtual Tumour™ pre-clinical and clinical models that are proprietary to the Company. Physiomics works primarily on a fee for service basis although we are open to other approaches including risk sharing and collaboration including:

- The incorporation of success-based milestones in our consulting contracts
- The embedding of our technology as part of a broader offering in collaboration with another service provider
- The creation of a version of Virtual Tumour™ that could be licensed to a client for its own use rather than by the Company as part of a consulting service

The Company will continue to explore these alternative approaches but envisages that consulting will continue to be the main driver of revenues in the short to medium term.

Key strengths

The consulting business is the core of the Company's commercial activity and we believe that it is unique in a number of respects:

- *We focus almost exclusively on oncology*. Our team has over 100 years of combined experience in the development of cancer drugs and computational biology, and in particular of quantitative pharmacology (essentially analysing how much drug to use and trying to predict what effect it will have). Over the Company's lifetime it has completed over 75 projects covering hundreds of targets, cell lines, drugs and cancer types
- *We use a proprietary in-house platform called Virtual Tumour™*. Although the team can take advantage of all commonly used modelling, simulation and data analysis techniques in the cancer field, we also have access to an internally developed platform that is uniquely useful when considering combinations of cancer drugs (and most anti-cancer regimes eventually involve using multiple agents simultaneously)
- *We provide a responsive and dedicated service*. Many large companies offer services in the cancer space but do not restrict themselves to cancer nor to quantitative pharmacology. As a result, we believe, many of these companies cannot offer the sort of bespoke, responsive service that Physiomics can and does.

Our strategy

Physiomics' strategy is to grow its fee for service business model by leveraging its own proprietary modelling and simulation technology to the benefit of its customers. Our main strategic aims are to:

- Form close partnerships with customers, attract repeat business and grow alongside them (as evidenced by two contracts in quick succession with Bicycle Therapeutics in June and July 2019)
- Diversify the customer base by working with a variety of commercial and not-for-profit clients (such as the agreement announced with Bicycle Therapeutics and Cancer Research UK in July 2019)
- Broaden geographical presence in Europe and North America by leveraging the Company's existing contact base and increasing marketing efforts (new biotech clients this year are based in Belgium, the UK and the USA)
- Work with a mix of early pre-clinical stage projects and high value clinical development phase of oncology (our immune-oncology project with Bicycle Therapeutics is early stage; our project with CellCentric has been in support of its first in man studies)
- Develop new, complementary areas of business such as immune-oncology and personalised medicine that can add long term value to the business

Review of Business

The Company is principally engaged in providing consulting services to pharmaceutical companies in the areas of outsourced quantitative pharmacology and computational biology.

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Consulting Business

Physiomics' consulting business is at the heart of its offering to clients. The Company uses its proprietary Virtual Tumour™ software platform but also develops mathematical models from scratch and leverages models in the public domain. It is a combination of our technology and the oncology experience of our team that enables us to deliver value to clients. We believe that we are unique in offering:

- Deep experience and knowledge of oncology
- An exclusive focus on model-based approaches to supporting our clients' R&D projects
- A level of flexibility and responsiveness that is not typically found in larger organisations

We have continued to develop our brand through a variety of marketing and business develop activities including:

- Re-development of our website and associated digital marketing strategy (including LinkedIn and Twitter)
- Attendance at major conferences including EORTC-NCI-AACR (Dublin), Biotech Showcase (San Francisco), AACR (Atlanta), BioTrinity (London) and PAGE (Stockholm)

- Presentation of scientific materials at these meetings (AACR and PAGE)
- Publication on our web site of blog posts and other less formal materials that showcase our technology and people
- Development and dissemination of case studies based on actual client projects (the first for some years where clients have permitted us to name them explicitly)
- Engagement of an external business development consultant to support our efforts to generate new client leads

The Company has been successful in in broadening its customer base and has signed new biotech clients this year including Belgium-based Convert Pharmaceuticals and UK/ US-based Bicycle Therapeutics. Merck KGaA remains an important client with which we have worked for over eight years and we are now in the second year of the major collaboration announced in November 2017. The Company has also been successful in attracting repeat business from existing clients such as CellCentric. The Company continues to focus on expanding its pipeline of activity both through direct marketing efforts but also through engaging with potential service-provider partners where our capabilities are potentially complementary to theirs. The strategic collaboration signed in January 2019 with the Medicines Discovery Catapult based at Alderley Park is a good example of this. We are actively seeking other such collaborations.

The Company's clients in this financial year have been located in the USA, the UK and Europe. Looking forwards we plan to target further business in the USA where there is a high level of company formation and funding. In terms of the mix of work, we continue to work across the full spectrum of R&D from discovery to development but, as was the case last year, we are increasingly working on translational projects involving assets entering clinical development for the first time. This is particularly exciting as it raises our profile and can involve exposure to regulatory authorities. The Company continues to work in the immune-oncology space with several of its clients and it is anticipated that the industry focus on this treatment approach is likely to continue for some time.

Personalised Medicine

The personalised medicine and digital health space continues to generate significant interest from both investors and healthcare systems. Many start-ups in this area focus on the use of genetic markers or the pattern-recognition capabilities of artificial intelligence applications however we believe that there is a significant opportunity in the analysis of existing clinical data to identify better ways to treat patient using existing drugs and procedures.

In April 2019 we completed our second Innovate UK funded project in this field in which we developed a demonstration version of a tool to optimise dosing of docetaxel in castrate resistant, metastatic prostate cancer patients. The key outcomes of the project were presented in a poster at the prestigious American Association for Cancer Research Annual Meeting in March 2019. In parallel, working with the Oxford Academic Health Sciences Network, we were able to access some of the UK's leading clinicians in this space which culminated in our being invited to present at an event jointly sponsored by the Royal Marsden Hospital NHS Trust, the Institute of Cancer Research and the National Institute for Health Research. The Company is now focused on finding an appropriate commercial partner to gain any required regulatory approvals and make the tool available in a clinical environment.

The Company assesses on an ongoing basis the opportunity for further grant funding either to progress existing projects or start new ones where appropriate but in parallel, the Company is also in discussion with several companies that have an established presence in this field.

Strategic and financial performance indicators

The Company is focused on the creation of long-term value for its shareholders.

The Directors consider that the key performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being revenue, profitability and shareholders' funds.

Principal Risks

The Company faces a number of risks on the way to building shareholder value. The Company maintains a risk register that identifies specific risks, their potential impact, their likelihood and mitigating actions. This register is updated as required and on an annual basis as a minimum. Some selected key risks are addressed below.

Risk	Description	Mitigation
Loss of major customer	Currently the business has a high dependence on a small number of customers. This leads to the risk that a large customer could significantly reduce or cancel its contracts with the Company	In the last two years the Company has been successful in growing its pipeline of business, broadening its customer base and reducing its reliance on major customers and has also secured an agreement with its major customer Merck KGaA that envisages a multi-year relationship and is currently in its second year.
Competition / pricing pressure	Physiomics operates in a competitive environment which could lead to pricing pressure. Whilst the business uses its own proprietary technology a competitor could attempt to replicate its Virtual Tumour™ technology.	Our focus on oncology and the way in which we employ Virtual Tumour™ requires a combination of technology and specialised skills which we believe is hard to replicate. We continually develop our model to improve the scope and applicability of the technology, adding further value to our clients and differentiating our service from our competitors. In addition, in the last 12 months we have developed a personalised medicine offering that we are currently seeking to commercialise and which would help reduce dependency on our consulting business.

Physiomics

Risk	Description	Mitigation
Personnel & skills	The success and future growth of the Company is in part dependent on the continued performance and delivery of certain Directors, managers, key staff and contractors. The Company operates in a highly specialised field where there is strong competition for required skills and talent. Key personnel leaving the Company could lead to a short-term reduced capacity to service client projects.	The Company seeks to recruit, develop, and manage talent on a continuous basis and have built a network of contracted specialists who can provide additional resource when required. In order to attract the best talent, the Company offers competitive packages to its staff which includes a share option scheme, private medical insurance and flexible working. A collegiate working environment and opportunities for personal and professional development also help to maintain staff satisfaction.
Financial	The financial risks faced by the Company include the ability to cover working capital needs, raise sufficient funds to support the Company through to profitability and failure to secure further contracts. The process of winning major contracts is typically protracted and the Company operates in a competitive environment. This means the Company often faces significant uncertainties in its cash flow.	The Board addresses financial uncertainties by monitoring actual performance against internal projections and responding to significant variances. The Company also employs tight cost controls across the business and has from time to time raised funds from investors. The Company seeks to ensure cash availability for working capital purposes and to reduce credit risk arising from cash and short term deposits with banks and other financial institutions by holding deposits with an institution with a medium grade credit rating or better.
Regulation Changes	The Company's customers are predominately pharmaceutical companies who require outsourced quantitative pharmacology and computational biology services. There is a risk that the business model is impacted by future changes in regulations in the medical and pharmaceutical industry.	The Company regularly reviews regulations changes through proactive discussions with key industry officials, professional advisors and regulatory bodies where appropriate. Major agencies such as the FDA are actively promoting the use of modelling and simulation and issue advisory papers which set out their thinking.

Risk	Description	Mitigation
Systems & infrastructure	The Company is dependent on its IT technical infrastructure and systems for the management of its core operations and research and development programmes.	Continuity of access to data and integrity of data is maintained through the implementation of a system of data storage, offsite backup and monitoring of key coding and modelling data. In the most recent financial year, the company invested further in a server dedicated to high speed computation which has significantly reduced the time required to complete complex simulations.

By order of the board

Dr Paul Harper

Chairman

Directors’ Report

The Directors submit their report and the audited financial statements of Physiomics Plc for the year ended 30 June 2019.

Results

There was a loss for the year after taxation amounting to £104,040 (2018 loss: £183,341). In view of accumulated losses, and given the stage of the Company’s development, the Directors are unable to recommend the payment of a dividend.

Directors

The directors who served during the year were:

Dr P B Harper

Dr J S Millen

Dr C D Chassagnole

Statement of Directors’ responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the financial performance and cash flows of the Company for that year.

The financial statements are required by law, and IFRS as adopted by the EU, to give a true and fair view of the state of affairs of the Company.

In preparing the Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and estimates that are reasonable and prudent;
c. state whether in preparation of the financial statements the Company has complied with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements; and
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the Physiomics Plc website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Substantial shareholdings

The Company has been informed that on 18 September 2019 the following shareholders held substantial holdings in the issued ordinary shares of the Company.

	Number of Ordinary shares	Holding %
INTERACTIVE INVESTOR SERVICES	18,161,570	25.26%
HARGREAVES LANSDOWN (NOMINEES)	14,201,938	19.75%
BARCLAYS DIRECT INVESTING NOMINEES	10,251,495	14.26%
HSDL NOMINEES LIMITED	8,250,005	11.47%
VIDACOS NOMINEES LIMITED	2,564,801	3.57%

The only other individual who has reported an interest of 3% or more of the Company's issued ordinary share capital is Mr Paul McKillen who notified the company on the 19 July 2019 that he held an interest of 4.17% in the Company, although it is not known in which nominee accounts these shares are held.

On 18 September 2019, Dr Paul Harper held 525,707 ordinary shares, Dr Jim Millen held 444,641 ordinary shares and Dr Christophe Chassagnole held 517,008 ordinary shares. The holding percentages were 0.73%, 0.62% and 0.72% respectively.

Directors' remuneration

Details of Directors' remuneration in the year ended 30 June 2019 is set out below:

	Emoluments	Bonus	Benefits	Pension Contributions	Total 2019	Total 2018
	£	£	£	£	£	£
Dr P B Harper	35,500	-	-	-	35,500	35,049
Dr J S Millen	128,375	9,750	1,663	2,600	142,388	131,506
Dr C D Chassagnole	62,716	4,989	1,416	7,021	76,142	67,221
Total	**226,591**	**14,739**	**3,079**	**9,621**	**254,030**	**233,776**

Corporate governance

Physiomics Plc has chosen to comply with the Quoted Companies Alliance ("QCA") Corporate Governance Code published in April 2018. High standards of corporate governance are a priority for the Board, and details of how Physiomics addresses key governance principles defined in the QCA code are set out below.

Physiomics

1. **Establish a strategy and business model which promote long-term value for shareholders**

The Company's business model is focused on helping big pharma and biotech clients to reduce costs and optimise outcomes of their oncology R&D though modelling and analysis of client and other data. In particular, the Company leverages its own in-house technology "Virtual Tumour™" which is specifically focused on predicting the effects of combination drug treatments. The Company operates mainly on a fee for service basis but is also open to other arrangements such as risk-based milestones and licensing although these have not formed a material part of the Company's revenues historically. In addition to its commercial business the Company engages in grant driven projects which do not generate profit but which provide valuable "paid for" R&D which can then be leveraged through the Company's commercial activities. The Company aims to deliver shareholder value by increasing the number and value of its commercial clients and by increasing the amount and value of grant projects and by investigating the commercial potential of new areas such as personalised medicine. The Company believes that its strategy will be effective in helping it to meet challenges such as competitive pressure and the rapid pace of technological change in the pharmaceutical industry.

2. **Seek to understand and meet shareholder expectations**

The Company maintains a dedicated email address which investors can use to contact the Company which is prominently displayed on its website together with the Company's address and phone number. The Company holds an annual general meeting ("AGM") to which all members are invited and during the AGM, time is set aside specifically to allow questions from attending members to any board member. As the Company is too small to have a dedicated investor relations department, the CEO is responsible for reviewing all communications received from members and determining the most appropriate response. In addition to these passive measures, the CEO typically engages with members through a roadshow once or twice each year. The Company does not take any measures beyond those outlined in this paragraph to seek to understand shareholder voting decisions.

3. **Take into account wider stakeholder and social responsibilities and their implications for long-term success**

In addition to members, the Company believes its main stakeholder groups are its employees and clients. The Company dedicates significant time to understanding and acting on the needs and requirements of each of these groups via meetings dedicated to obtaining feedback (see principle 2 above).

In addition, the Company has a close relationship with the University of Oxford and the Oxford University Hospitals NHS Foundation Trust. Prof Mark Middleton, who leads oncology research at these institutions is on the Company's advisory board and has been a collaborator on several grant projects. The relationship with the Company is mutually beneficial as the University and NHS Trust also has a mandate to encourage and collaborate with local businesses.

With regards corporate social responsibility, there is little direct impact of the Company's day to day activities however the Company is proud that its overarching goal is to support the treatment of cancer, a disease that has a profound impact on society.

4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Company maintains a register of risks across several categories including personnel, clients, competition, finance, technical and legal. For each risk we estimate the impact, likelihood as well as identify mitigating strategies. This register is reviewed periodically as the Company's situation changes and as a minimum annually. During such reviews, each risk category is considered by the Directors with a view to understanding (i) whether the nature, impact or likelihood of any risks has changed, (ii) whether the mitigating actions taken by the Company should change as a result and (iii) whether any new risks or categories of risk have arisen since the last review. The Company's risk register is reviewed by its auditor as part of its annual audit process, providing a degree of external assurance as to the suitability of its risk management strategy.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

The board of Physiomics Plc currently comprises two executive directors, one independent non-executive director (the Chairman) and a secretary (non-director). The board meets monthly for one day (except August) and all current board members have attended all board meetings in the current financial year. Each director is re-elected to the board on a rotating basis by a vote of members at the Company's AGM.

Executive directors are full-time employees of the Company. Non-executive Directors' contracts require that directors dedicate up to one additional day per month on request. In addition, non-executive directors may provide additional paid consulting services at rates specified in their contracts. However, no such services have been provided by any non-executive director in the financial year ended 30 June 2019.

The Company notes that best practice under the QCA code, and for a company quoted on AIM is to have at least half of its board as independent, and specifically a minimum of two non-executive directors. The board is aware that Physiomics does not currently comply with this requirement, but the Board believes that the current board composition does enable it to fulfil its obligations. The Company also notes that its Chairman Paul Harper has been in post for 12 years however the Company is satisfied as to his independence, especially considering his periodic re-election that offers shareholders an opportunity to vote on his suitability.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The directors of the Company during the current financial year, together with their experience, skills and personal qualities relevant to the Company's business is outlined below:

- Dr Paul Harper (Non-Executive Chairman) has over 35 years' experience in the life sciences industry covering both drug development and medical devices. He was a non-executive director of Reneuron Holdings Plc, an AIM quoted company. In addition, he is an adviser to the Board of CamStent Ltd. Paul has served as Chairman of Oval Medical Technologies and of Sareum Holding Plc, Chief Executive of Cambridge Antibody Technology Limited, and founded Provensis Limited. He has also served as Corporate Development Director of Unipath Limited, then the medical diagnostics business of Unilever Plc, and as Director of Research and Development for Johnson & Johnson Limited. Formerly head of Antimicrobial Chemotherapy for Glaxo Plc, Paul has a PhD in Molecular Virology and is the author of over 50 publications. Paul's experience in the pharmaceutical R&D process, roles as executive, non-executive and Chairman of both private and public companies and the contacts he has developed over his career remain highly relevant in discharging his role as Chairman of Physiomics.
- Dr Jim Millen (CEO) joined Physiomics in April 2016, bringing over 15 years' experience in pharmaceuticals and biotechnology gained at a number of blue-chip global companies as well as smaller UK-based organisations. At Allergan, Jim was responsible for corporate development in its Europe, Africa and Middle East region where he was pivotal in expanding the Company's geographical footprint before moving to a senior role responsible for commercial strategy and market access. Prior to that, at GSK, Jim held business development roles of increasing responsibility including within the Company's innovative Centre of Excellence for External Drug Discovery. Jim has also supported a number of smaller

companies in fund raising and strategic partnering activities. Over the course of his career he has completed an array of deals worth many hundreds of millions of dollars, spanning licencing, acquisition, divestment, development and commercialisation. Jim studied medicine at Queens' College, Cambridge University and qualified as a doctor from the London Medical School. He holds an MBA from INSEAD. Jim's ability to develop and grow businesses and drive towards ambitious goals is of great value in his role as CEO.

- Dr Christophe Chassagnole (COO) has been involved in systems biology and bio-computing projects since the mid-nineties, with experience in both academic and industrial environments. His Doctorate was achieved at the Victor Segalen-Bordeaux II University, and then he held a post doctorate position with IBVT at Stuttgart University. Before Joining Physiomics Dr Chassagnole worked in France as a senior researcher for CRITT Bio-Industries (Toulouse) for 3 years. He joined Physiomics in May 2004 as project leader to develop the model portfolio of the Company. He was appointed Chief Operating Officer of Physiomics in May 2007, in this capacity he has initiated and supervised the development of the Virtual Tumour™ technology. Christophe remains the main source of scientific knowledge on the biology of cancer and modelling/simulation as it relates to drug development. Christophe maintains his knowledge through regular literature reviews and is highly valued by clients for this reason. Christophe is also responsible for managing the Company's R&D activities and in particular of our initiative in personalized medicine.
- Anthony Clayden, of Strategic Finance Director Ltd (Secretary) is Head of Finance and Company Secretary with over 20 years' experience directing or advising over 40 high growth potential businesses of differing size and complexity and brings broad experience of strategic, operational and financial matters. His career encompasses numerous businesses in the life sciences and healthcare sector including 6 years as Chief Financial Officer of AIM quoted Futura Medical Plc where he was involved in its IPO and a series of placings. Previously, Anthony worked with KPMG and PwC on a range of corporate finance matters including fundraisings, company sales and acquisition advice. Anthony has a B.Sc. (Hons) in Natural Sciences from Durham University and is a Qualified Chartered Accountant. Although Anthony is not a director of the Company, he provides invaluable advice on all matters financial.

The Company holds annual briefings for the directors covering regulations that are relevant to their role as directors of an AIM-quoted company.

The Company has not to date sought external advice on keeping directors skills up to date but believes that their blend of past and ongoing experience provides them with the relevant up to date skills needed to act as board members for a small company.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Evaluation of the performance of the Company's board has historically been implemented in an informal manner. The board will formally review and consider the performance of each director at or around the time of the Company's annual general meeting.

On an ongoing basis, board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members, however the directors consider that the Company is too small to have either an internal succession plan and that it would not be cost effective to maintain an external candidate list prior to the need arising.

8. Promote a corporate culture that is based on ethical values and behaviours

The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Company maintains and annually reviews a handbook that includes clear guidance on what is expected of every employee and officer of the Company. Adherence of these standards is a key factor in the evaluation of performance within the Company, including during annual performance reviews. In addition, staff matters are a standing topic at every board meeting and the CEO reports on any notable examples of behaviours that either align with or are at odds with the Company's stated values. The directors believe that the Company culture encourages collaborative, ethical behaviour which benefits employees, clients and shareholders. The directors further believe that all employees and consultants have worked in line with the Company's values during this financial year.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The board of the Company, together with its sub-committees, is responsible for the following:

- The setting of and execution of the overall strategy of the Company
- The setting of financial targets and monitoring of the Company's performance vs these targets on a monthly basis
- The preparation and approval of interim and final results for the Company
- The commissioning and oversight of the audit of the Company's full year results
- The preparation and approval of the Company's annual report
- The preparation of resolutions to be voted upon in the Company's Annual General Meeting
- Approval of regulatory communications
- The setting of guidelines for remuneration of employees, directors and consultants, including where appropriate long term incentives such as share option schemes
- The approval and oversight of any changes to the capital structure of the Company such as the raising of capital through placings
- The identification, evaluation and monitoring of key strategic risks to the Company's business
- The employment of key officers and directors of the Company (the latter as recommendations to be voted on at the Company's AGM)

The key board roles are as follows:

- Chairman: The primary responsibility of the chair is to lead the board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. The chair has sufficient separation from the day-to-day business to be able to make independent decisions. The chair is also responsible for making sure that the board agenda concentrates on the key issues, both operational and financial, with regular reviews of the Company's strategy and its overall implementation
- CEO: Charged with the delivery of the business model within the strategy set by the board. Works with the chair in an open and transparent way. Keeps the chair and board up-to-date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy

The board has two sub-committees appointed by the board of directors. They are as follows:

- Audit Committee: The Committee meets to consider matters relating to the Company's financial position and financial reporting. The Committee reviews the independence and objectivity of the external auditors, Shipleys LLP, as well as the amount of non-audit work undertaken by them, to satisfy itself that this will not compromise their independence. Details of the fees paid to Shipleys LLP during the current accounting period are given in the notes to the accounts. The Audit Committee currently comprises Paul Harper (Chairman) and Christophe Chassagnole with Strategic Finance Director Ltd (Company Secretary) attending as secretary

- Remuneration Committee: The Remuneration Committee has been established primarily to determine the remuneration, terms and conditions of employment of the executive directors of the Company. Any remuneration issues concerning non-executive directors are resolved by this Committee and no director participates in decisions that concern his own remuneration. The Remuneration Committee comprises Paul Harper (Chairman) and Jim Millen with Strategic Finance Director Ltd (Company Secretary) attending as secretary

The Company will give regular consideration to how best to evolve its governance framework as it grows. Such evolution could include, for example, increase in the size of the board and in particular the number of non-executive members and external review of board members performance.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

On the Company's website shareholders can find all historical RNS announcements, interim reports and annual reports. Annual Reports and Annual General Meeting Circulars are posted directly to all registered shareholders or nominees and results of Annual General Meeting votes are also published on the Company's website. The Company's website allows shareholders and other interested parties to sign up to a mailing list to enable them to directly receive regulatory and other company releases. As described earlier, the Company also maintains email and phone contacts which shareholders can use to make enquiries or requests.

Post balance sheet events

No material post balance sheet events occurred after the end of the period.

Statement as to disclosure of information to auditors

The Directors in office on 18 September 2019 have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Going concern, responsibilities and disclosure

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Internal controls and risk management

The board is responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. The Directors have a reasonable expectation that the Company will safeguard the Company's assets. The risk management process and internal control systems are designed to manage rather than eliminate the risk of failing to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The key features of the Company's system of internal control are as follows:

- a clearly defined organisational structure and set of objectives.
- the executive Directors play a significant role in the day to day operation of the business.
- detailed monthly management accounts are produced for the board to review and take appropriate action.

Annual General Meeting

The Company values the views of its shareholders and recognises their interest in the Company's strategy, performance and the ability of the board. The AGM provides an opportunity for two-way communication and all shareholders are encouraged to attend and participate. Separate resolutions will be put to shareholders at the AGM, giving them the opportunity to discuss matters of interest. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution, after each has been dealt with on a show of hands.

The Company uses its website www.physiomics.co.uk as another means of providing information to shareholders and other interested parties. The website displays the annual report and accounts, interim results and other relevant announcements.

The Annual General Meeting of the Company will be held at the offices of Physiomics Plc, The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 10.00 am on 19 November 2019.

By order of the board

Dr Paul Harper, Chairman

Physiomics

Independent Auditors' Report to the Members of Physiomics Plc

Opinion

We have audited the financial statements of Physiomics Plc for the year ended 30 June 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 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.

Risk	How the Scope of our audit responded to the risk
Management override of controls Journals can be posted that significantly alter the Financial Statements.	We examined journals posted around the year end, specifically focusing on areas which are more easily manipulated such as accruals, prepayments, investment valuation and the bank reconciliation.
Going Concern There is a risk that the Company is not a going concern.	We made enquires with the Directors regarding how they have assessed going concern. We have reviewed projections and disclosed accordingly.
Fraud in Revenue Recognition There is a risk that revenue is materially understated due to fraud.	Income was tested on a sample basis from contracts. No evidence of fraud or other understatement was identified.
Accounting Estimates Potential risk of inappropriate accounting estimates giving rise to misstatement in the accounts.	All areas were examined to identify any potential accounting estimates. These estimates were then reviewed and tested for adequacy.
Misstatement of Grant Income There is a risk that grant income has been incorrectly accounted for.	Grant income was tested and cut off agreed as correct. No evidence of misstatement was identified.
Overstatement of Intangible Assets Risk that the asset has no cash generating value.	An impairment review of the asset was undertaken and no evidence of such was identified.
Overstatement of Administrative Expenses There is a risk that the Company's administrative expenses are overstated.	A proof in total calculation and substantive testing were both undertaken and no evidence of overstatement was identified.
Debtors Recoverability There is a risk that trade debtors are irrecoverable.	Debtors held at the year end will be reviewed to post year end receipts and agreed to bank statements. No evidence of irrecoverability was identified.
Deferred Income There is a risk that deferred income may be materially understated.	Income was reviewed close to the year end and a sample basis from contracts. No evidence of misstatement was identified.

Our application of materiality

We define materiality as the magnitude of misstatement in the Financial Statements that of materiality makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Company to be £16,950. We agreed with the Audit Committee that we would report to them all audit differences in excess of 5% of materiality, as well as differences below that which would, in our view, warrant reporting on a qualitative basis. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

An overview of the scope of our audit

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

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 15, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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 in located on the Financial Reporting Council's website at www.frc.org.uk. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Kinton (Senior Statutory Auditor)
For and on behalf of Shipleys LLP,
Chartered Accountants and Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Income Statement for the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Revenue	**3**	718,965	428,277
Other operating income	**3**	64,136	84,622
Total income		783,101	512,899
Net operating expenses		(984,320)	(773,290)
Operating loss	**4**	(201,219)	(260,391)
Investment revenues	**7**	470	31
Finance costs	**8**	-	(41)
Loss before taxation		(200,749)	(260,401)
Income tax income	**9**	96,709	77,060
Loss for the year attributable to equity shareholders	**26**	(104,040)	(183,341)
Earnings per share	**10**		
Basic		(0.14)	(0.31)
Diluted		(0.14)	(0.31)

Statement of Comprehensive Income

	Year ended 30th June 2019 £	Year ended 30th June 2018 £
Loss for the year	(104,040)	(183,341)
Other comprehensive income	-	-
Total comprehensive income/ (expense) for the year	(104,040)	(183,341)
Attributable to:		
Equity holders	(104,040)	(183,341)

Statement of Financial Position as at 30 June 2019

	Notes	2019 £	2018 £
Non-current assets -			
Intangible assets	**12**	1,373	-
Property, plant and equipment	**13**	18,438	5,003
Investments	**14**	-	1
		19,811	5,004
Current assets			
Trade and other receivables	**15**	269,110	241,358
Cash and cash equivalents		405,366	571,869
		674,476	813,227
Total assets		694,287	818,231
Current liabilities			
Trade and other payables	**19**	85,123	59,765
Deferred revenue	**20**	1,250	68,440
		86,373	128,205
Net current assets		588,103	685,022
Net assets		607,914	690,026
Equity			
Called up share capital	**23**	1,181,038	1,181,038
Share premium account	**24**	5,228,172	5,228,172
Other reserves	**25**	191,742	169,814
Retained earnings	**26**	(5,993,038)	(5,888,998)
Total equity		607,914	690,026

The financial statements were approved by the Board of directors and authorised for issue on 30 September 2019
Signed on its behalf by:

Dr P B Harper - Chairman
Company Registration No. 04225086

Statement of Changes in Equity for the year ended 30 June 2019

	Notes	Share capital	Share premium account	Share-based com-pensation on reserve	Retained earnings	Total
		£	£	£	£	£
Balance at 1 July 2017		1,121,463	4,753,538	158,910	(5,705,657)	328,254
Loss and total comprehensive Income/(expense) for the year		-	-	-	(183,341)	(183,341)
Issue of share capital (net of costs)	**23**	59,575	474,634	-	-	534,209
Transfer to other reserves	**25**	-	-	10,904	-	10,904
Balance at 30 June 2018		1,181,038	5,228,172	169,814	(5,888,998)	690,026
Loss and total comprehensive income/ (expense) for the year		-	-	-	(104,040)	(104,040)
Issue of share capital (net of costs)	**23**	-	-	-	-	-
Transfer to other reserves	**25**	-	-	21,928	-	21,928
Balance at 30 June 2019		1,181,038	5,228,172	191,742	(5,993,038)	607,914

Physiomics

Cash Flow Statement for the year ended 30 June 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash absorbed by operations	**33**		(226,244)		(244,951)
Interest paid			-		(41)
Tax refunded			82,472		75,195
Net cash outflow from operating activities			(143,772)		(169,797)
Investing activities					
Purchase of intangible assets		(1,385)		-	
Purchase of tangible fixed assets		(21,816)		(2,326)	
Interest received		470		31	
Net cash used in investing activities			(22,731)		(2,295)
Financing activities					
Proceeds from issue of shares		-		578,899	
Share issue costs		-		(44,690)	
Net cash generated from financing activities			-		534,209
Net increase in cash and cash equivalents			(166,503)		362,117
Cash and cash equivalents at beginning of year			571,869		209,752
Cash and cash equivalents at end of year			405,366		571,869

Notes to the Financial Statements

1 Accounting policies

Company information

Physiomics Plc is a company limited by shares incorporated in England and Wales. The registered office is The Magdalen Centre, Oxford Science Park, Robert Robinson Avenue, Oxford, OX4 4GA.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

1.2 Going concern

The accounts have been prepared on the going concern basis. The Company primarily operates in the relatively defensive pharmaceutical industry which we expect to be less affected by current economic conditions, including the potential consequences of Brexit, compared to other industries.

The Company had £405,366 of cash and cash equivalents as at 30 June 2019 (2018 £571,869).

The board operates an investment policy under which the primary objective is to invest in low-risk cash or cash equivalent investments to safeguard the principal.

The Company's projections, taking into account anticipated revenue streams, show that the Company has sufficient funds to operate for the next twelve months. In coming to this conclusion, the Company notes that current cash and currently contracted projects are projected to cover budgeted expenses for the majority of this period. In addition to currently contracted projects the Company anticipates a number of new clients as well as repeat business from some existing clients.

After reviewing the Company's projections, the Directors believe that the Company is adequately placed to manage its business and financing risks for the next twelve months. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Revenue recognition

The revenue shown in the income statement relates to amounts received or receivable from the provision of services associated with outsourced systems and computational biology services to pharmaceutical companies.

Revenue from the provision of the principal activities is recognised by reference to the stage of completion of the transaction at the balance sheet date where the amount of revenue can be measured reliably and sufficient work has been completed with certainty to ensure that the economic benefit will flow to the Company.

Physiomics

1.4 Intangible assets other than goodwill

Intangible assets acquired separately from third parties are recognised as assets and measured at cost.

Following initial recognition, intangible assets are measured at cost or fair value at the date of acquisition less any amortisation and any impairment losses. Amortisation costs are included within the net operating expenses disclosed in the income statement.

Intangible assets are amortised over their useful lives as follows:

	Useful life	Method
Software	15 years	Straight line
Trademarks	10 years	Straight line

Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis. The Company does not have any intangible assets with indefinite lives.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
IT Equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

1.6 Research and development expenditure

Expenditure on research activity is recognised as an expense in the period in which it is incurred.

1.7 Fixed asset investments

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Participating interests are stated at cost less amounts written off in the Company balance sheet.

1.8 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For purposes of assessing impairment, assets that do not individually generate cash flows are assessed as part of the cash generating unit to which they belong. Cash generating units are the lowest levels for which there are cash flows that are largely independent of the cash flows from other assets or groups of assets.

1.9 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.11 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through the income statement, which are measured at fair value.

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Balances are written off when the probability of recovery is considered to be remote.

Impairment of financial assets

Financial assets, other than those at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through the income statement or other financial liabilities.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit,and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Share-based payments

The Company issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period. Fair value is measured by use of a Black-Scholes model.

1.18 Leases

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.21 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

1.22 Adoption of international accounting standards

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 16 “leases” will be effective for the year ending June 2020 onwards and the impact is not expected to be significant. IFRS16 requires lessees to recognise the future liability reflecting the future lease payments and a right-of-use asset for all lease contracts.

Physiomics

2 Critical accounting estimates and judgements

Revenue for projects started and completed during the financial year is recognised in full during the year. Revenue from a project which commences in one financial year and is completed in a subsequent financial year is recognised over the life of the project based on the expected period to completion as anticipated at each balance sheet date less what has already been recognised during a previous financial period or periods.

There were no other material accounting estimates or areas of judgements required.

3 Revenue & segmental reporting

An analysis of the Company's revenue is as follows:

	2019	2018
	£	£
Revenue	718,965	428,277
Other operating income		
Grant income	64,137	84,622
	64,137	84,622

The principal activities are the provision of outsourced systems and computational biology services to pharmaceutical companies.

This activity comprises a single segment of operation of a sole UK base and entirely UK based assets. Revenue was derived in the UK, European Union and USA from its principal activity.

4 Operating loss

	2019	2018
	£	£
Operating loss for the period is stated after charging/(crediting):		
Net foreign exchange losses/(gains)	(276)	(2,328)
Research and development costs	-	-
Government grants	(64,137)	(84,622)
Fees paid to the Company's auditor, refer to below	14,433	15,250
Depreciation of property, plant and equipment	8,381	3,153
Amortisation of intangible assets	12	-
Share-based payments	21,928	10,904

5 Auditors remuneration

Fees payable to the Company's auditor and associates:	2019 £	2018 £
For audit services		
Audit of the Company's financial statements	10,000	10,000
For other services		
Taxation compliance services	2,000	2,000
Audit-related assurance services	-	750
Other taxation services	1,183	-
Innovate UK grant related services	1,250	2,500
Total fees	14,433	15,250

6 Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2019 Number	2018 Number
	7	6

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	420,315	342,918
Social security costs	48,361	37,681
Other pension and insurance benefit costs	22,662	10,728
	491,338	391,327

Details of the remuneration of Directors are included in the Directors Report on page 16.

7 Finance income

	2019	2018
	£	£
Interest income		
Bank deposits	470	31

8 Finance costs

	2019	2018
	£	£
Other interest payable	-	41

Interest rate risk
The Company finances its operations by cash and short-term deposits. The Company's policy on interest rate management is agreed at board level and is reviewed on an ongoing basis. Other creditors, accruals and deferred revenue values do not bear interest.

Interest rate profile
The Company had no bank borrowings at the 30 June 2019 and 30 June 2018.

9 Income tax expense

	Continuing operations	
	2019	2018
	£	£
Current tax		
Research and development tax credit: current year	(96,142)	(81,905)
Research and development tax credit: prior year	(567)	4,845
	(96,709)	(77,060)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2019	2018
	£	£
Loss before taxation	(200,749)	(260,401)
Expected tax charge based on a corporation tax rate of 19.00%	(38,142)	(49,476)
Expenses not deductible in determining taxable profit	4,645	2,072
Unutilised tax losses carried forward	-	(2,878)
Adjustment in respect of prior years research and development	(567)	4,845
Research and development expenditure tax credit	(7,280)	(9,588)
Deferred / (accelerated) capital allowances	(2,613)	83
Research and development enhancement	(52,752)	(22,118)
Tax charge for the period	(96,709)	(77,060)

At 30 June 2019 tax losses of £3,811,775, (2018: £3,811,775) remained available to carry forward against future taxable trading profits. These amounts are in addition to any amounts surrendered for Research and Developments tax credits. There is an unrecognised deferred tax asset of £648,002, (2018: £724,237).

10 Earnings per share

	2019	2018
	£	£
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	71,910,394	59,095,673
Earnings - Continuing operations		
Loss for the period from continued operations	(104,040)	(183,341)
Earnings for basic and diluted earnings per share being net profit attributable to equity shareholders of the Company for continued operations	(104,040)	(183,341)
Earnings per share for continuing operations		
Basic and diluted earnings per share	(0.14)	(0.31)
Basic and diluted earnings per share		
From continuing operations	(0.14)	(0.31)
	(0.14)	(0.31)

The loss attributable to equity holders (holders of ordinary shares) of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti- dilutive under the terms of IAS 33 'Earnings per Share'.

11 Financial instruments recognised in the statement of financial position

	2019	2018
Held for trading:	£	£
Current financial assets		
Trade and other receivables	107,622	54,160
Cash and cash equivalents	405,366	571,869
	512,988	626,029
Current financial liabilities		
Trade and other payables	70,626	41,799
Deferred revenue	1,250	68,440
	71,876	110,239

The Company's financial instruments comprise cash and short-term deposits. The Company has various other financial instruments, such as trade debtors and creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The policies for managing these are regularly reviewed and agreed by the board.

It is and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

12 Intangible assets

	Patents & Licences £	Total £
Cost		
At 1 July 2017	75,646	75,646
At 30 June 2018	75,646	75,646
Additions - purchased	1,385	1,385
Disposals	(75,646)	(75,646)
At 30 June 2019	1,385	1,385
Amortisation and impairment		
At 1 July 2017	75,646	75,646
At 30 June 2018	75,646	75,646
Charge for the year	12	12
Eliminated on disposals	(75,646)	(75,646)
At 30 June 2019	12	12
Carrying amount		
At 30 June 2019	1,373	1,373
At 30 June 2018	-	-

13 Tangible fixed assets

	Fixtures and fittings	IT equipment	Total
Cost	**£**	**£**	**£**
At 1 July 2017	2,206	41,074	43,280
Additions	-	2,326	2,326
At 30 June 2018	2,206	43,400	45,606
Additions	1,154	20,662	21,816
Disposals	(411)	(7,525)	(7,936)
At 30 June 2019	2,949	56,537	59,486
Accumulated depreciation and impairment			
At 1 July 2017	2,206	35,244	37,450
Charge for the year	-	3,153	3,153
At 30 June 2018	2,206	38,397	40,603
Charge for the year	96	8,285	8,381
Eliminated on disposal	(411)	(7,525)	(7,936)
At 30 June 2019	1,891	39,157	41,048
Carrying amount			
At 30 June 2019	1,058	17,380	18,438
At 30 June 2018	-	5,003	5,003
At 30 June 2017	-	5,830	5,830

14 Investments

	Current		Non-current	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Investment in subsidiaries	-	-	1	1
Impairment of investment	-	-	(1)	-
	-	-	-	1

The company owned 100% of E-Phen Limited, a dormant company incorporated in the England and Wales. The company was dissolved on 7 September 2019. As a result of this the investment has been fully impaired at the statement of financial position date.

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

15 Trade and other receivables

	Due within one year	
	2019	**2018**
	£	**£**
Trade debtors	103,844	50,382
Other receivables	3,778	3,778
Corporation tax recoverable	96,142	81,905
VAT recoverable	22,518	15,040
Prepayments and accrued income	42,828	90,253
	269,110	241,358

16 Fair value of trade receivables

There are no material differences between the fair value of financial assets and the amount at which they are stated in the financial statements.

17 Fair value of financial liabilities

There are no material differences between the fair value of financial liabilities and the amount at which they are stated in the financial statements.

18 Liquidity risk

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

19 Trade and other payables

	Due within one year	
	2019	**2018**
	£	**£**
Trade creditors	26,479	15,497
Accruals and deferred income	41,712	25,469
Social security and other taxation	14,497	17,965
Other creditors	2,435	834
	85,123	59,765

Physiomics

20 Deferred revenue

	2019	2018
	£	£
Arising from invoices in advance	1,250	68,440

Analysis of deferred revenue
Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019	2018
	£	£
Current liabilities	1,250	68,440

21 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £16,334 (2018: £6,164).

As at the statement of financial position date the company had unpaid pension contributions totalling £2,435 (2018: £834).

22 Share-based payment transactions

The Company operates two share option schemes: (1) under the Enterprise Management Initiative Scheme ("EMI") and (2) an unapproved share option scheme. Both are equity settled. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. Some options are subject to performance criteria relating to either share price performance or the achievement of certain corporate milestones. The contractual life of the options is 10 years from the date of issue.

A summary of the options at the start and end of period for directors and all other employees is presented in the following table:

Holder	Outstanding at start of period	Granted during period	Forfeited during period	Exercised during period	Outstanding at end of period	Exercisable at end of period	Exercise price (p)	Date of grant	Date of expiry
Dr. C. Chassagnole	56,245	-	56,245	-	-	-	15.00	18-Dec-08	18-Dec-18
Dr. C. Chassagnole	118,565	-	-	-	118,565	118,565	40.00	28-Feb-10	28-Feb-20
Dr. C. Chassagnole	32,331	-	-	-	32,331	16,166	34.00	09-Nov-11	09-Nov-21
Dr. C. Chassagnole	129,381	-	-	-	129,381	129,381	13.20	11-Feb-13	11-Feb-23
Dr. C. Chassagnole	322,615	-	-	-	322,615	322,615	6.20	24-Mar-15	24-Mar-25
Dr. C. Chassagnole	659,641	-	-	-	659,641	659,641	2.50	28-Feb-17	27-Feb-27
Dr. C. Chassagnole	350,000	-	-	-	350,000	350,000	5.35	26-Mar-18	27-Mar-28
Dr. C. Chassagnole	-	267,000	-	-	267,000	-	3.16	26-Mar-19	25-Mar-29
Dr. J. Millen	1,453,923	-	-	-	1,453,923	1,453,923	2.50	28-Feb-17	27-Feb-27
Dr. J. Millen	520,000	-	-	-	520,000	520,000	5.35	26-Mar-18	27-Mar-28
Dr. J. Millen	-	400,000	-	-	400,000	-	3.16	26-Mar-19	25-Mar-29
Dr. P. Harper	23,277	-	23,277	-	-	-	15.00	18-Dec-08	18-Dec-18
Dr. P. Harper	76,645	-	-	-	76,645	76,645	40.00	28-Feb-10	28-Feb-20
Dr. P. Harper	12,932	-	-	-	12,932	6,466	34.00	09-Nov-11	09-Nov-21
Dr. P. Harper	51,752	-	-	-	51,752	51,752	13.20	11-Feb-13	11-Feb-23
Dr. P. Harper	129,046	-	-	-	129,046	129,046	6.20	24-Mar-15	24-Mar-25
Dr. P. Harper	258,092	-	-	-	258,092	258,092	3.50	21-Dec-15	21-Dec-25
Dr. P. Harper	140,000	-	-	-	140,000	140,000	5.35	26-Mar-18	27-Mar-28
Other staff	8,313	-	8,313	-	-	-	15.00	18-Dec-08	18-Dec-18
Other staff	41,648	-	-	-	41,648	41,648	40.00	28-Feb-10	28-Feb-20
Other staff	91,107	-	-	-	91,107	45,554	34.00	09-Nov-11	09-Nov-21
Other staff	77,628	-	-	-	77,628	77,628	13.20	11-Feb-13	11-Feb-23
Other staff	188,605	-	-	-	188,605	188,605	6.20	24-Mar-15	24-Mar-25
Other staff	54,596	-	-	-	54,596	54,596	3.50	21-Dec-15	21-Dec-25
Other staff	403,781	-	-	-	403,781	403,781	2.50	28-Feb-17	27-Feb-27
Other staff	490,000	-	-	-	490,000	490,000	5.35	26-Mar-18	27-Mar-28
Other staff	-	533,000	-	-	533,000	-	3.16	26-Mar-19	25-Mar-29
Total	5,690,123	1,200,000	87,835	-	6,802,288	5,534,103			

The weighted average share price at the date of the grant for share options granted in the year was £0.0316, (2018: £0.0535).

The options outstanding at 30 June 2019 had an exercise price ranging from £0.025 to £0.40, and a remaining contractual life of 9 years.

During 2019, options were granted on 26 March 2019. The weighted average fair value of the options on the measurement date was £0.011366. Options vest according to time and performance-based criteria.

The options were granted with an exercise price of £0.032.

During 2018, options were granted on 27 March 2018. The weighted average fair values of the options on the measurement date was £0.00727.

The options were granted with an exercise price of £0.054.

Fair value was measured using Black-Scholes share option pricing model. Inputs were as follows:

	2019	2018
Expected volatility	60.18%	62.97%
Expected life	2.34 years	2.3 years
Risk free rate	0.664%	0.91%

The expected volatility is based on the sixty day average historical volatility of the Company over 3 years.

The expected life of options is now based on the share option exercise history with the company. The risk free rate of return is derived from UK treasury yields at 2 and 3 years.

Total expenses of £21,928 related to equity settled share based payment transactions were recognised in the year. (2018 - £10,904).

23 Share capital

	2019 £	2018 £
Ordinary share capital, issued and fully paid		
71,910,394 Ordinary of 0.4p each	287,641	287,641
2,481,657,918 Deferred of 0.036p each	893,397	893,397
	1,181,038	1,181,038

The ordinary shares carry no rights to fixed income. The deferred shares have no voting rights and have no rights to receive dividends or other income.

Reconciliation of movements during the year:	**Ordinary Number**	**Deferred Number**
At 1 July 2018	71,910,394	2,481,657,918
At 30 June 2019	71,910,394	2,481,657,918

Prior year changes to Ordinary share capital

On 14 December 2017 the Company issued 800,969 ordinary shares of 0.4p at a price of 2.5p per ordinary share, as well as 967,846 ordinary shares of 0.4p at a price of 3.5p per ordinary share following the exercise of employee share options, the proceeds of which were used for working capital purposes.

On 31 May 2018 the Company issued 13,125,000 ordinary shares of 0.4p at a price of 4p per ordinary share for working capital purposes.

24 Share premium account

	£
At 30 June 2017	4,753,538
Issue of new shares	519,324
Share issue expenses	(44,690)
At 30 June 2018 & at 30 June 2019	5,228,172

The share premium account consists of proceeds from the issue of shares in excess of their par value (which is included in the share capital account).

25 Other reserves: share-based compensation reserve

	£
At 30 June 2017	158,910
Additions	10,904
At 30 June 2018	169,814
Additions	21,928
At 30 June 2019	191,742

The share-based compensation reserve represents the credit arising on the charge for share options calculated in accordance with IFRS 2.

26 Retained earnings

	£
At 1 July 2017	(5,705,657)
Loss for the period	(183,341)
At 30 June 2018	(5,888,998)
Loss for the period	(104,040)
At 30 June 2019	(5,993,038)

Retained earnings includes an amount of £237,889 (2017: £237,889) in relation to the Equity Swap Agreement in 2014 which under the Companies Act is not distributable.

27 Operating lease commitments

Lessee

Amounts recognised in the income statement as an expense during the period in respect of operating lease arrangements are as follows:

	2019	2018
	£	£
Minimum lease payments under operating leases	57,331	55,151

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	4,818	4,625
	4,818	4,625

28 Capital commitments

At 30 June 2019 and 30 June 2018 the Company had no capital commitments.

29 Capital risk management

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in notes 24 to 27.

The board's policy is to maintain an appropriate capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company has a record of managing the timing and extent of discretionary expenditure in the business.

In order to maintain or adjust the capital structure the Company may issue new shares.

30 Events after the reporting date

No material post balance sheet events occurred after the end of the period.

31 Related party transactions

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out on page 16.

32 Controlling party

The Company does not currently have an ultimate controlling party and did not have one in this reporting year or the preceding reporting year.

33 Cash generated from operations

	2019 £	2018 £
Loss for the year after tax	(104,040)	(183,341)
Adjustments for:		
Taxation credited	(96,709)	(77,060)
Finance costs	-	41
Investment income	(470)	(31)
Amortisation and impairment of intangible assets	13	-
Depreciation and impairment of tangible fixed assets	8,381	3,153
Equity settled share-based payment expense	21,928	10,904
Movements in working capital:		
Increase in debtors	(13,515)	(39,901)
Decrease in creditors	25,358	(27,157)
Increase/(decrease) in deferred revenue	(67,190)	68,441
Cash absorbed by operations	(226,244)	(244,951)