CONSORT MEDICAL

Consort Medical plc
3 December 2015

Interim results

Good first half performance across both businesses.

Consort Medical plc (LSE: CSRT) ("Consort", "Consort Medical" or the "Group"), a leading, global, single source pharma services drug and delivery device company, today announces its interim results for the six months ended 31 October 2015.

Financial Highlights

Sequential Period Comparators GBPm 6 months ended	**H1 FY2016** 31 Oct 2015	**Δ**	**H2 FY2015 CC[1]** 30 April 2015	**H1 FY2015 CC[1]** 31 Oct 2014[3]
Revenue	135.5	4.7%	129.5	53.6
EBIT[2]	16.5	12.1%	14.7	10.2
EBIT margin %	12.1%	80bps	11.3%	19.0%
Profit before tax[2]	14.1	6.9%	13.2	9.7

Year on year Comparators GBPm 6 months ended	**H1 FY2016** 31 Oct 2015	**Δ**	**H1 FY2015** 31 Oct 2014[3]
Adjusted basic earnings per share[2 4]	23.5p	(5.1)%	24.8p
Interim dividend per share[4]	6.75p	5.0%	6.43p
Statutory measures			
Profit before tax	3.6	(50.6)%	7.3
Basic earnings per share[4]	12.1p	(45.5)%	22.2p
Cash generated from operations	19.3	74.5%	11.1

[1] CC – at constant currency. [2] Before special items – special items include amortisation of acquired intangible assets (£6.5m) and integration costs (£4.0m). [3] Aesica became part of Consort Medical on 12 November 2014. [4] Prior year EPS and DPS restated (see note 6)

- Revenues increase from £53.6m to £135.5m following Aesica acquisition and good organic growth
- Good organic revenue growth in both Bespak with YOY growth of 5.4%; Aesica sequential CC growth of 2.3%
- Operating leverage in organic EBIT growth: Bespak YOY growth of 13.1%; Aesica sequential CC growth of 23.7%, with operating margin expansion to 6.2%
- Adjusted basic EPS was slightly lower due to increase in shares in issue and finance costs following Aesica acquisition – revenue expected to be second half weighted
- Interim dividend increased by 5.0% reflecting Board's confidence in the Group's prospects
- Statutory PBT and EPS were lower as a result of special costs associated with Aesica integration actions
- Further Net Debt reduction from £99.2m to £95.3m driven by strong cash flow from operations

Operational Highlights

- Continued progress in existing development pipelines of both Bespak and Aesica
- Bespak added a development programme for Aeropharm
- Aesica saw the completion of the semi-continuous line process development, with product approval and launch
- Further progress in joint Bespak / Aesica service offering with enthusiastic market response. Launch of single source supply chain solution for drug and delivery device manufacturing services
- Successful commercial unveiling of Syrina® 2.25 compact autoinjector

Jon Glenn, Chief Executive Officer of Consort Medical, commented:

"We have increased Group revenues by over £80m to £135m as we have bedded in the Aesica acquisition and delivered continued revenue and EBIT growth in both Bespak and Aesica in the first half of our financial year. The Aesica acquisition has deepened the capabilities of the Group, enabling cross-selling and a broader service offering, and we are encouraged by the number of new customer discussions that have arisen as a consequence.

"We continue to focus on the organic development of our business, but may consider further inorganic opportunities where they present a compelling case for significantly enhancing sustainable shareholder value. We currently have a strong development pipeline across both parts of the business, and its fruition looks set to drive meaningful growth in the near to medium term. More specifically, following a good first half performance, the Board is confident of the Group meeting its expectations for the full year."

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Notes:

1. Foreign Exchange Rates
    a. Period end exchange rates 31 October 2015: EUR1.40: GBP1.0; USD1.54: GBP1.0.
    b. Average exchange rate 1 May to 31 October 2015: EUR1.39: GBP1.0; USD1.55: GBP1.0.
    c. Period end exchange rates 30 April 2015: EUR1.39: GBP1.0; USD1.54: GBP1.0.
    d. Average exchange rates 12 November 2014 to 30 April 2015: EUR1.33: GBP1.0; USD1.52: GBP1.0.
2. Aesica comparatives
    As a result of the multiple accounting policy changes in Aesica implemented immediately post-acquisition in order to bring the business in line with Group policies, the pre-acquisition performance of the Group in H1 FY2015 is not on a comparable basis with that of H1 FY2016. In order to provide a means of monitoring the Group's organic development on a like for like basis, a sequential comparison of H1 FY2016 is also shown against H2 FY2015 at constant exchange rates, where relevant.

Consort Medical plc is a leading, global, single source pharma services drug and delivery device company. We are at the leading edge of innovation and we are committed to investing in patient, clinician and customer driven innovation to create new treatments, new markets and new opportunities.

Our businesses

Bespak is a global market leader in the manufacture of drug delivery devices for pharmaceutical partner companies, including respiratory, nasal, and injectables products, and the manufacture of devices for the point of care diagnostics market. www.bespak.com.

Aesica is a leading provider of finished dose and active pharmaceutical ingredient (API) development and manufacturing services to pharmaceutical partners. www.aesica-pharma.com.

We employ more than 2000 people globally of which 1400 are located in the UK. We have UK facilities in King's Lynn, Cambridge, Nelson, Milton Keynes, Cramlington, Nottingham, Queenborough and Hemel Hempstead, German facilities in Monheim and Zwickau and a facility in Pianezza, Italy. Consort Medical is a public company quoted on the premium list of the London Stock Exchange (LSE: CSRT). www.consortmedical.com.

Consort Medical plc

Group Interim Results

Consort Medical has performed well in the first half of our financial year, with materially increased revenues, good organic growth in revenue and EBIT, as well as a further reduction in our net debt following the Aesica acquisition. We have made further progress with our joint Bespak - Aesica service offering, which has been enthusiastically received by customers. We have continued to grow the pipelines of the individual businesses, and progress existing programmes in both development and innovation. The operating performance of each business has continued to strengthen, with our reorganisation initiatives in Aesica running to plan and schedule.

Financial Performance

Revenue increased by £82.0m (152.9%) to £135.5m (H1 FY2015: £53.6m) from both organic growth and the addition of Aesica. Bespak delivered further strong growth of 5.4% to £56.5m (H1 FY2015: £53.6m), notably from MDI and Injectables. Following its acquisition in November 2014, Aesica contributed £79.1m of revenue for the first half of the financial year.

EBIT before special items increased by 61.4% to £16.5m (H1 FY2015: £10.2m), at an operating margin of 12.1%. Bespak EBIT grew 13.1% to £11.5m (H1 FY2015: £10.2m), reflecting the business' strong operating leverage, with operating margin increasing 140 basis points to 20.4% (H1 FY2015: 19.0%). Aesica EBIT was £4.9m, reflecting an average Euro exchange rate to £1:1.39, at an operating margin of 6.2% (on a constant currency basis this represents a sequential increase of 100 basis points on H2 FY2015). Special items of £10.5m (H1 FY2015 £2.4m) included intangible amortisation, and planned reorganisation costs following the Aesica acquisition.

Group profit before tax and special items increased by £4.4m (45.8%) to £14.1m (H1 FY2015: £9.7m). Adjusted EPS decreased slightly to 23.5p per share (H1 FY2015: 24.8p) as a result of an increase in shares in issue together with the additional finance costs from the financing of the Aesica acquisition; revenue is expected to be second half weighted. Basic GAAP EPS was lower at 12.1p per share (H1 FY2015: 22.2p[4]) due to the impact of the special items.

Cash generated from operations increased by £8.2m to £19.3m (H1 FY2015: £11.1m).] EBITDA before special items grew £8.5m (65.7%) to £21.5m (H1 FY2015: £13.0m. Working capital (excluding the King Systems contingent consideration receivable of £1.0m) reduced £0.3m to £15.0m (H1 FY2015: £15.3m), which represents 5.6% of proforma sales (H1 FY2015: 14.9%). Capital expenditure was £8.3m (H1 FY2015: £7.4m) and included £5.1m from Bespak and £3.2m from Aesica as programme driven capex in Bespak continued, in particular the investment to equip production lines in preparation for the launch of DEV610.

The Group balance sheet closed with a net debt position of £95.3m (H1 FY2015: net cash £30.0m), representing gearing of 2.1x Net Debt: EBITDA, comfortably within the banking facility covenant (maximum 3.25x), and in line with our expectations set at the time of the Aesica acquisition. Interest cover was 14.0x against a covenant minimum of 3.0x. The Group has comfortable cash resource availability.

The Board has declared an interim dividend of 6.75p per share, an increase of 5.0% on the prior year (H1 FY2015: 6.43p). This will be paid on 12 February 2016 to shareholders on the register on 15 January 2016.

[4] *Prior year EPS and DPS restated (see note 6)*

Joint Bespak / Aesica Commercial Activities

A core objective of the acquisition of Aesica was to harness, over time, significant cross-selling opportunities, and to secure development and manufacturing opportunities for combined formulation and device services. Following the acquisition, the Bespak and Aesica commercial teams have worked closely together, enhancing each other's capabilities and strengths. They now have the joint mission to support their core divisional activities, to facilitate introductions for their sister division's commercial teams to access their core customer relationships, and to work together jointly to secure combined formulation and device contracts.

Since the acquisition, a number of joint Bespak and Aesica meetings have been held with customers, and the consequent reaction has been encouraging.

In addition, cross-selling introductions have led to firm enquiries in a variety of device opportunities for Bespak, for both customer and Bespak IP platforms.

In October, the Group launched its new branding at the CPHI exhibition in Madrid. This is the largest global trade event for the pharma services industry, and Bespak and Aesica exhibited together on the same stand drawing a significant amount of new and existing customer interest and enquiries.

Bespak Review

Operations

GBPm	H1 FY2016	H1 FY2015 CC	Δ	H1 FY2015
Revenue*	56.5	53.6	5.4%	53.6
EBIT*	11.5	10.2	13.1%	10.2
EBIT margin %	20.4%	19.0%	140bps	19.0%

**before special items including amortisation of acquisition related intangibles of £0.4m (see note 3).*

Revenue continued to grow strongly in the period, increasing by 5.4% to £56.5m (H1 FY2015: £53.6m). Key drivers of the revenue growth were in MDI (metered dose inhalers) which grew 3.1% and Other (which includes the Dr Reddy's Sumatriptan autoinjector) which grew 30.7%. Service revenue grew 49.3% driven by the high volume of programmes in the Development pipeline.

Demonstrating Bespak's operational leverage, the growth in revenue translated to EBIT growth of 13.1% to £11.5m (H1 FY2015: £10.2m), with EBIT margin increasing to 20.4% (FY2015: 19.0%). Foreign exchange has no translational or unhedged transactional impact.

Scale up of facilities continues at King's Lynn and Milton Keynes to prepare manufacturing capacity for a number of programme launches from the development pipeline. Capex in the period was £5.1m.

Product Development

We continue to have a strong and diverse core business of products in volume manufacturing. In line with our strategy we have assembled a full and broad product development pipeline of organic growth opportunities which will add to the strength of this core business going forward. Successful conversion of these opportunities in both contract manufacturing and products with our own IP and across a range of therapeutic areas is expected to provide progressive revenue and profit growth.

Our published development portfolio provides an update on the key business development projects in the business. We guide that for inclusion in the published portfolio, projects must have a reasonable expectation of generating peak annual commercial revenues of at least £3m per annum.

In the period, we added one further new programme to the development portfolio, which now totals 13 – the biggest in Bespak's history:

- VAL050 is a significant new development and supply agreement for our proprietary pMDI valve and actuator technology for Aeropharm GmbH, a Sandoz company.

In addition we are in late stage discussions on two further opportunities.

The status of the major programmes currently in our development pipeline is listed below:

Project	Description	Customer	Status
VAL310	Easifill primeless valve	US Pharma	Awaiting regulatory approval
INJ570	Auto-injector	Global Pharma	Awaiting regulatory approval
VAL020	MDI valve	Global Pharma	Stability trials complete
DEV200	Nicotine delivery	Nicovations	Awaiting launch
POC010	POC Test Cartridge	Atlas Genetics	Awaiting CE marking
NAS020	Nasal device	Global Generic	Formulation change; brief under review
DEV610	DPI	Global Pharma	On schedule, launch still expected H2 2016
NAS030	Nasal device	Pharma Co.	Early stage programme
INJ600	PatchPump® infusion system for Treprostinel	SteadyMed Therapeutics Inc.	Good progress made. NDA submission planned H1 2016
INJ650	ASI® Auto-injector	Global Generic	Continuing progress
INJ700	Lila Mix® Injector	Pharma Co.	Continuing progress
IDC300	Oral IDC	Pharma Co.	Good progress
VAL050	MDI valve / actuator	Aeropharm	Awarded November 2015

DPI = Dry Powder Inhaler, MDI = Metered Dose Inhaler, POC = Point of Care, IDC = Integrated Dose Counter

Innovation

The Innovation team has continued to be very active on a number of fronts. The team is now 21 strong at its dedicated facilities in Cambridge. The commercial and innovation team continue to receive strong customer interest in our new technology platforms on a range of opportunities. The Innovation pipeline has progressed broadly during the period across a number of therapeutic areas and technologies.

Syrina®, Lila® & Lapas® Update
Following the commercial unveiling of Vapoursoft®, Syrina®, Lila®, and Lapas®, we continue to generate widespread interest from several pharma companies with injectable drug portfolios. At present we have an active portfolio of two early stage Vapoursoft® powered Syrina® auto-injector development programmes. We have two programmes actively developing the Lila® Mix® and Duo® technologies. We also have one early stage development programme centred on our Vapoursoft® powered Lapas® technology.

Launch of Bespak's Syrina® 2.25 Auto-injector
In November 2015, Bespak unveiled its latest addition to the Syrina® range of auto-injectors at the PDA Europe 2015 exhibition/conference. The new Syrina® 2.25 is one of the most compact versions of auto-

injector available today utilizing a standard 2.25ml pre-filled syringe, and based on Bespak's proprietary Vapoursoft® technology.

Its benefits include:

- Self-administration — this reduces the treatment cost to the health system as the patient does not need to attend a clinic; and
- Simple adaptability of dose size/power source dependent on drug and viscosity, providing lower configurability/adaptability risk and a simple delivery mechanism for pharma clients.

The target drug market includes biologics, where the viscosity and volume of some drugs means that there is significant benefit from powered injection. The platform incorporates our proprietary Vapoursoft® technology to "power" the injection for large dosage volumes and a very wide range of viscosities.

Aesica Review

Operations

GBPm	H1 FY2016	H2 FY2015 CC	Δ	H2 FY2015
Revenue*	79.1	77.3	2.3%	79.0
EBIT*	4.9	4.0	23.7%	4.2
EBIT margin %*	6.2%	5.2%	100bps	5.3%

**before special items including integration costs of £4.0m and amortisation of intangible assets of £6.1m (see note 3).*

As a result of the multiple accounting policy changes in Aesica implemented immediately post-acquisition in order to bring the business in line with Group policies, the pre-acquisition performance of Aesica in H1 FY2015 is not on a comparable basis with that of H1 FY2016. In order to provide a means of monitoring Aesica's development on a like for like basis, a comparison of H1 FY2016 is shown in the above table against H2 FY2015, both at constant exchange rates and as reported.

Revenue, which tends to be second half weighted, grew £1.8m at constant currency (2.3%) to £79.1m; as reported at FY2015, some low margin business has been terminated, so this increase more than compensates for the lost revenue contribution. EBIT grew £0.9m at constant currency (23.7%) to £4.9m, and EBITDA grew by £0.6m at constant currency (8.7%) to £7.4m. Operating margin was 6.2%, a positive increase on H2 FY2015 which was 5.3% as a result of the reduction in low margin business, operating leverage from the additional revenue, and improved operating performance.

We are concluding our intended restructure in Germany, which has run to schedule, and have implemented a cell based manufacturing process at our Monheim site which we are refining. The transition was managed in close cooperation with our customers and with no supply interruption. We are also in the process of relocating the Formulation Development activities from Nottingham to refurbished premises at our existing finished dose and API manufacturing site in Queenborough: this will enable us to provide a stronger link between formulation development and finished dose manufacturing for our customers.

We have maintained a solid regulatory track record with a number of routine site inspections from either FDA or local inspection agencies with good outcomes in all cases.

Business Development and Innovation

In FY2015, Aesica concluded a product development programme for a product manufactured using the first semi-continuous processing line and technology installed at a CDMO. The product is now approved and launched in the first major market with others expected to follow over the next 24 months.

Aesica has been working with a leading Japanese pharmaceutical company to provide the active ingredient for an anti-inflammatory formulation containing S+flurbiprofen. The patch has received market approval with the Ministry of Health, Labour and Welfare in Japan for the indication of osteoarthritis. We are in the process of supplying API materials for launch stock under a new long term supply agreement with demand for the new formulation expected to grow steadily from 2016.

Aesica provides an integrated supply chain management service to some of its customers, and has announced the extension of this service. In addition to providing its finished dose, packaging and release operations to the customer, the service model provides management of product supply chains of upstream and downstream processes at third party suppliers on the customer's behalf. This additional service enables the customer to reduce the overall number of CDMO partners it deals with. We have been routinely offering this service to two of our customers and market feedback clearly points to other opportunities with existing and new customers.

Pipeline
Aesica has broadly two pools of business development: development services and manufacturing services, with some overlap.

- In development services, it applies know-how in API / formulation development to a wide range of project opportunities for a wide range of customers at different stages of the clinical trial cycle.
- The bulk of its revenue today comes from the application of its process technology and know-how to specific API and drug product manufacturing opportunities, many of which may be different from those API / formulation development opportunities.

The Aesica commercial team is focused on a growing pipeline of API / formulation development and manufacturing opportunities. There is significant contractual and commercial confidentiality as to the identity of specific projects and contracts.

Other Financial

Special Items
Special items of £10.5m (H1 FY2015: £2.4m) included intangible amortisation of £6.5m (H1 FY2015: £0.4m) from the acquisitions of the Medical House and Aesica. Planned integration costs following the Aesica acquisition amount to £4.0m, including employee severance and other costs of £2.7m and move related costs of £1.3m; further costs of up to £3.0m are expected in H2 as projects complete in line with previous guidance.

Tax special items represent the credit of £1.1m arising from the revaluation of deferred tax items following UK government's announced decline in corporate tax rates, as well as the recognition of deferred tax on capital losses of £1.1m.

Pensions
The IAS19 pension valuation of the Bespak scheme results in a deficit of £18.1m (FY2015: £17.8m). The German and Italian Aesica schemes are valued at a deficit of £2.9m, resulting in an overall IAS19 deficit of £21.0m.

On the Bespak scheme, the last triennial actuarial valuation at 30 April 2014 has now been agreed with the Trustees at a deficit of £13.8m, with deficit recovery contributions of £1.5m per annum until 30 November 2028.

Tax

The business continues to benefit from the UK government's favourable manufacturing and development tax policy, from both the Patent Box regime and the Research and Development Expenditure Credit (RDEC). These policies are expected to continue to benefit Bespak and Aesica following recent publication of the OECD's BEPS (Base Erosion and Profit Shifting) Action Plan.

Banking

Net debt was £95.3m at the period end (H1 FY2015: net cash £30.0m). Following the acquisition of Aesica in November 2014, the Group entered into a new 5 year multi-currency revolving facility of £160m and a further £65m available under an accordion facility. Undrawn facilities at the end of the period were £47.5m. The Group continues to operate within its covenants with ample headroom.

Dividend

The Board has declared an interim dividend of 6.75p per share, an increase of 5.0% on the prior year (H1 FY2015: 6.43p). This will be paid on 12 February 2016 to shareholders on the register on 15 January 2016.

Principal risks and uncertainties

The principal risks and uncertainties deemed relevant for the remainder of the financial year are considered in note 14 to the financial statements.

Outlook

We have increased Group revenues by over £80m to £135m as we have bedded in the Aesica acquisition and delivered continued revenue and EBIT growth in both Bespak and Aesica in the first half of our financial year. The Aesica acquisition has deepened the capabilities of the Group, enabling cross-selling and a broader service offering, and we are encouraged by the number of new customer discussions that have arisen as a consequence.

We continue to focus on the organic development of our business, but may consider further inorganic opportunities where they present a compelling case for significantly enhancing sustainable shareholder value. We currently have a strong development pipeline across both parts of the business, and its fruition looks set to drive meaningful growth in the near to medium term. More specifically, following a good first half performance, the Board is confident of the Group meeting its expectations for the full year.

Statement of directors' responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Consort Medical plc are listed in the Consort Medical plc Annual Report for the year ended 30 April 2015. A list of current directors is maintained on the Consort Medical plc website: www.consortmedical.com.

By order of the Board

Richard Cotton
Group Finance Director
2 December 2015

Independent review report to Consort Medical plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2015 which comprises the consolidated Income Statement, consolidated Statement of Comprehensive Income, consolidated Balance Sheet, consolidated Statement of Changes in Shareholders' Equity, consolidated Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Lynton Richmond
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL
2 December 2015

Condensed Consolidated Income Statement

For the half year ended 31 October 2015

	Note	**Unaudited 1 May to 31 October 2015**	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
		£000	£000	£000
Revenue	2	**135,548**	53,597	184,825
Operating expenses before special items		**(119,080)**	(43,391)	(159,770)
Operating profit before special items		**16,468**	10,206	25,055
Special items	3	**(10,493)**	(2,361)	(16,891)
Operating profit		**5,975**	7,845	8,164
Finance income		**14**	94	132
Finance costs	4	**(1,719)**	(453)	(2,072)
Special items - finance costs	4	**-**	-	(288)
Other finance costs	4	**(655)**	(172)	(424)
Profit before tax and special items		**14,108**	9,675	5,512
Special items	3	**(10,493)**	(2,361)	(17,179)
Profit before tax		**3,615**	7,314	22,691
Tax on profit before special items	5	**(2,664)**	(1,483)	(3,269)
Special items – tax	3	**4,985**	1,406	4,019
Tax credit / (charge)	5	**2,321**	(77)	750
Profit for the financial period from continuing operations		**5,936**	7,237	6,262
Loss / (Profit) for the financial period from discontinued operations	15	**(48)**	28	(1,314)
Profit for the financial period		**5,888**	7,265	4,948

Earnings per share, attributable to the ordinary equity holders of the parent

	Note			
From continuing operations:				
Basic earnings per ordinary share	6	**12.2p**	21.9p*	15.4p
Diluted earnings per ordinary share	6	**12.0p**	21.5p*	15.1p
From continuing and discontinued operations:				
Basic earnings per ordinary share	6	**12.1p**	22.2p*	12.2p
Diluted earnings per ordinary share	6	**11.9p**	21.8p*	12.0p

Non-GAAP measures

	Note			
From continuing operations:		**£000**	£000	£000
Profit before tax before special items		**14,108**	9,675	22,691
Profit after tax before special items		**11,444**	8,192	19,422
Adjusted basic earnings per ordinary share	6	**23.5p**	24.8p*	47.8p
Adjusted diluted earnings per ordinary share	6	**23.2p**	24.3p*	46.9p

* Restated (see note 6)

Condensed Consolidated Statement of Comprehensive Income

For the half year ended 31 October 2015

	Unaudited 1 May to 31 October 2015 £000	Unaudited 1 May to 31 October 2014 £000	Audited 1 May to 30 April 2015 £000
Profit for the period from continuing operations	**5,936**	7,237	6,262
Profit / (loss) for the period from discontinued operations	**(48)**	28	(1,314)
Profit for the financial period	**5,888**	7,265	4,948
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Net gain on hedge of a net investment	**243**	-	2,719
Exchange movements on translation of foreign subsidiaries	**(119)**	-	(10,938)
Current tax on exchange movements	**8**	-	(166)
Items that will not be reclassified subsequently to profit and loss:			
Actuarial losses on defined benefit pension scheme	**(319)**	(5,465)	(15,772)
Deferred tax on actuarial losses	**89**	1,093	3,348
Impact of change in tax rates	**457**	-	-
Other comprehensive income / (loss) for the period	**359**	(4,372)	(20,809)
Total comprehensive income / (loss) for the period	**6,247**	2,893	(15,861)
Attributable to equity holders of the parent			
From continuing operations	**6,295**	2,865	(14,547)
From discontinued operations	**(48)**	28	(1,314)

Condensed Consolidated Balance Sheet

at 31 October 2015

	Note	**Unaudited 31 October 2015 £000**	Unaudited 31 October 2014 £000	*Restated** 30 April 2015 £000
Assets				
Non-current assets				
Property, plant and equipment		**130,366**	55,930	128,012
Goodwill		**119,595**	15,800	119,645
Other intangible assets		**70,088**	4,616	76,627
Investments	9	**6,266**	4,068	6,266
Trade and other receivables	9	**-**	3,678	1,059
		326,315	84,092	331,609
Current assets				
Inventories		**31,767**	12,374	31,344
Trade and other receivables		**57,901**	22,376	60,133
Current tax asset		**3,079**	-	2,397
Cash and cash equivalents	10	**11,580**	30,001	45,201
		104,327	64,751	139,075
Total assets		**430,642**	148,843	470,684
Liabilities				
Current liabilities				
Borrowings	10	**(106,868)**	-	(144,414)
Trade and other payables	9	**(73,884)**	(19,065)	(74,285)
Derivative financial instruments	9	**(30)**	(81)	(117)
Current tax liabilities		**-**	(496)	-
Provisions for other liabilities		**(8,222)**	(587)	(4,136)
		(189,004)	(20,229)	(222,952)
Net current (liabilities) / assets		**(84,677)**	44,522	(83,877)
Non-current liabilities				
Deferred tax liabilities		**(21,195)**	(2,946)	(24,324)
Defined benefit pension scheme deficit	12	**(20,980)**	(7,680)	(21,147)
Provisions for other liabilities		**-**	(1,641)	(1,768)
		(42,175)	(12,267)	(47,239)
Total liabilities		**(231,179)**	(32,496)	(270,191)
Net assets		**199,463**	116,347	200,493
Shareholders' equity				
Share capital	16	**4,913**	2,930	4,907
Share premium		**137,422**	33,854	137,087
Retained earnings		**65,218**	79,400	66,721
Other reserves		**(8,090)**	163	(8,222)
Total equity		**199,463**	116,347	200,493

* Restated (see note 17)

Condensed Consolidated Statement of Changes in Shareholders' Equity

For the half year ended 31 October 2015

	Share capital £000	Share premium £000	Retained earnings £000	Translation reserve £000	**Total £000**
Balance at 1 May 2014 (audited)	**2,928**	**33,675**	**81,758**	**163**	**118,524**
Profit for the financial period	-	-	7,265	-	**7,265**
Exchange movements on translation of foreign subsidiaries	-	-	-	-	**-**
Actuarial gains on defined benefit scheme	-	-	(5,465)	-	**(5,465)**
Tax on amounts taken directly to equity	-	-	1,093	-	**1,093**
Total comprehensive income	-	-	2,893	-	**2,893**
Recognition of share-based payments	-	-	787	-	**787**
Movement on tax arising on share-based payments	-	-	(291)	-	**(291)**
Proceeds from exercise of employee options	2	179	-	-	**181**
Consideration paid for purchase of own shares (held in trust)	-	-	(1,866)	-	**(1,866)**
Equity dividends	-	-	(3,881)	-	**(3,881)**
	2	179	(5,251)	**-**	**(5,070)**
Balance at 31 October 2014 (unaudited)	**2,930**	**33,854**	**79,400**	**163**	**116,347**
Balance at 1 May 2014 (audited)	**2,928**	**33,675**	**81,758**	**163**	**118,524**
Profit for the financial period	-	-	4,948	-	**4,948**
Exchange movements on translation of foreign subsidiaries	-	-	-	(8,219)	**(8,219)**
Actuarial gains on defined benefit scheme	-	-	(15,772)	-	**(15,772)**
Tax on amounts taken directly to equity	-	-	3,348	(166)	**3,182**
Total comprehensive loss	-	-	(7,476)	(8,385)	**(15,861)**
Recognition of share-based payments	-	-	1,557	-	**1,557**
Movement on tax arising on share-based payments	-	-	559	-	**559**
Issue of share capital – rights issue	1,832	92,559	-	-	**94,391**
Issue of share capital – consideration for acquisition of subsidiary	144	10,659	-	-	**10,803**
Proceeds from exercise of employee options	3	194	-	-	**197**
Consideration paid for purchase of own shares (held in trust)	-	-	(2,666)	-	**(2,666)**
Equity dividends	-	-	(7,011)	-	**(7,011)**
	1,979	103,412	(7,561)	**-**	**97,830**
Balance at 30 April 2015	**4,907**	**137,087**	**66,721**	**(8,222)**	**200,493**
Profit for the financial period	-	-	5,888	-	**5,888**
Exchange movements on translation of foreign subsidiaries	-	-	-	124	**124**
Actuarial losses on defined benefit scheme	-	-	319	-	**319**
Tax on amounts taken directly to equity	-	-	(546)	8	**(538)**
Total comprehensive income	-	-	5,661	132	**5,793**
Recognition of share-based payments	-	-	853	-	**853**
Movement on tax arising on share-based payments	-	-	(211)	-	**(211)**
Proceeds from exercise of employee options	6	335	-	-	**341**
Consideration paid for purchase of own shares (held in trust)	-	-	(2,084)	-	**(2,084)**
Equity dividends	-	-	(5,722)	-	**(5,722)**
	6	335	(7,164)	**-**	**(6,823)**
Balance at 31 October 2015	**4,913**	**137,422**	**65,218**	**(8,090)**	**199,463**

Condensed Consolidated Cash Flow Statement

For the half year ended 31 October 2015

	Note	**Unaudited 1 May to 31 October 2015 £000**	Unaudited 1 May to 31 October 2014 £000	Audited 1 May to 30 April 2015 £000
Cash flows from operating activities				
Profit before taxation from continuing operations		**3,615**	7,314	5,512
(Loss) / Profit before taxation from discontinued operations		**(48)**	28	(1,314)
Finance income		**(14)**	(94)	(132)
Finance costs	4	**1,719**	453	2,360
Other finance costs	4	**655**	172	424
Operating profit		**5,927**	7,873	6,850
Depreciation		**4,888**	2,742	7,993
Amortisation		**6,624**	468	6,963
Profit on disposal of property, plant and equipment		**10**	(21)	16
Share-based payments		**853**	787	1,557
Change in fair value of contingent consideration		**48**	(28)	1,314
Pension charge in excess of cash contributions		**(183)**	97	55
(Increase) / decrease in inventories		**(450)**	(2,171)	4,989
Decrease / (increase) in trade and other receivables		**1,643**	(1,019)	(4,181)
(Decrease) / increase in trade and other payables		**(2,246)**	2,403	(6,996)
Increase / (decrease) in provisions		**2,291**	(149)	(637)
(Increase) / decrease in financial instruments		**(87)**	88	124
Cash generated from operations		**19,318**	11,070	18,047
Interest paid		**(1,497)**	(329)	(1,436)
Tax paid		**(1,331)**	(953)	(4,503)
Net cash inflow from operating activities		**16,490**	9,788	12,108
Cash flows from investing activities				
Purchases of property, plant and equipment		**(8,311)**	(7,327)	(20,500)
Purchases of intangible assets		**-**	(49)	(178)
Proceeds from sale of property, plant and equipment		**1,979**	21	20
Net proceeds on disposal of businesses		**1,549**	7,321	7,321
Interest received		**8**	92	132
Purchase of a subsidiary (net of cash acquired)		**-**	-	(207,955)
Purchase of equity investment		**-**	-	(2,198)
Net cash generated (used in) / from investing activities		**(4,775)**	58	(223,358)
Cash flows from financing activities				
Proceeds from issues of ordinary share capital		**334**	181	94,584
Purchase of own shares		**(2,120)**	(1,866)	(2,666)
Equity dividends paid to shareholders		**(5,722)**	(3,881)	(7,011)
Proceeds from new bank funding		**5,100**	-	163,610
Repayment of amounts borrowed		**(42,601)**	-	(15,000)
Upfront loan facility fee		**-**	-	(1,913)
Net cash used in financing activities		**(45,009)**	(5,566)	231,604
Net (decrease) / increase in cash and cash equivalents		**(33,294)**	4,280	20,354
Effects of exchange rate changes		**(327)**	(122)	(996)
Cash and cash equivalents at start of period	10	**45,201**	25,843	25,843
Cash and cash equivalents at end of period	10	**11,580**	30,001	45,201

Notes to the accounts

1. Basis of preparation

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is Breakspear Park, Breakspear Way, Hemel Hempstead, Herts HP2 4TZ. The Company is listed on the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 2 December 2015.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2015 were approved by the Board of directors on 25 June 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed by the Group's auditor, not audited – see Independent Review Report.

This condensed consolidated interim financial information for the six months ended 31 October 2015 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously the Financial Services Authority) and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 April 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2015, as described in those annual financial statements except where disclosed otherwise in this note. Taxes on income in the interim periods are accrued using the estimated tax rate that would be applicable to expected total annual earnings. The 30 April 2015 Balance Sheet has been retrospectively restated – see note 17 for further details.

Critical accounting estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 April 2015, with the exception of changes in estimates required in determining the provision for income taxes.

Going concern

The directors have, at the time of approving the interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future as the Group has net debt of £95.3m at 31 October 2015 and total banking facilities (using period end exchange rates) of £155.9m of which £47.9m is undrawn at 31 October 2015 and available up to September 2019. Thus they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Non-GAAP performance measures

The directors believe that the 'adjusted' profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally. The adjusted profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with 'adjusted' profit measures used by other companies.

Notes to the accounts (continued)

1. Basis of preparation (continued)

Further details on the special items can be found in note 3.

New standards, amendments and interpretations

The following accounting standards and amendments are effective for the year commencing 1 May 2015 but are not expected to have a material impact on the Group:

- Amendments to IAS 19 Employee Benefits (Amended in 2011)- Defined Benefit Plans: Employee Contributions
- Amendments to IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24, IAS 38 - Annual Improvements (2010-2012 Cycle)
- Amendments to IFRS 3, IFRS 13, IAS 40 - Annual Improvements (2011-2013 Cycle)

The following accounting standards relevant to the Group have not been early adopted as the Group carries out an assessment of their potential impact:

- IFRS 9 Financial Instruments
- IFRS15 Revenue from Contracts with Customers

2. Segmental information

The Group's operating segments are determined with reference to the information which is supplied to the Executive Committee in order for it to allocate the Group's resources and to monitor the performance of the Group. Following the acquisition of Aesica Holdco Limited ("Aesica") on 12 November 2014, that information analyses the Group between two divisions, Bespak and Aesica. Prior to this acquisition in the current year and for all the prior year, the Group only had one operating segment. The Executive Committee assesses the performance of the operating segments based on a measure of adjusted operating profit which excludes the impact special items from the operating segments. Special items are analysed in note 3.

Consequently, the segment information provided to the Executive Committee for both of these reportable segments for the year ended 31 October 2015 is as follows:

For the year ended 30 April 2015	Bespak £000	Aesica £000	Unallocated £000	Total £000
Revenue from products and services	56,487	79,061	-	135,548
Total revenue	**56,487**	**79,061**	**-**	**135,548**
Intra-segmental revenue	-	-	-	-
Revenue by business segment	**56,487**	**79,061**	**-**	**135,548**
Segment operating profit before special items	**11,541**	**4,927**		**16,468**
Special items excluding amortisation of acquired intangible assets (note 6)	-	(4,433)		(4,433)
Amortisation of acquired intangible assets	413	(6,473)	-	(6,060)
Segment operating profit	**11,954**	**(5,979)**	**-**	**5,975**
Finance income				14
Finance costs				(1,719)
Other finance costs				(655)
Profit before tax				**3,615**
Taxation				2,321
Profit for the financial year				**5,936**
Segmental balance sheet				
Total assets	110,801	286,883	32,958	430,642
Total liabilities	(42,212)	(79,663)	(109,304)	(231,179)
Net assets	**68,589**	**207,220**	**(76,346)**	**199,463**

Notes to the accounts (continued)

2. Segmental information (continued)

The Group's operating locations are based in the United Kingdom and Europe, with the Group also making sales in the USA and the rest of the world.

Revenue by destination from continuing operations	**Unaudited 1 May to 31 October 2015 £000**	Unaudited 1 May to 31 October 2014 £000	Audited 1 May to 30 April 2015 £000
United Kingdom	**19,861**	13,626	34,933
United States of America	**12,431**	7,885	20,094
Europe	**84,890**	28,264	116,503
Rest of the world	**18,366**	3,822	13,295
Revenue from continuing operations	**135,548**	53,597	184,825

3. Special items	**Unaudited 1 May to 31 October 2015 £000**	Unaudited 1 May to 31 October 2014 £000	Audited 1 May to 30 April 2015 £000
Acquisition-related expenses	**-**	(1,947)	(5,382)
Integration costs	**(4,020)**	-	(1,876)
Amortisation of acquisition-related intangible assets	**(6,473)**	(414)	(6,785)
Other acquisition related items	-	-	(2,848)
	(10,493)	(2,361)	(16,891)
Accelerated amortisation of upfront arrangement fee	**-**	-	(288)
Special items before taxation from continuing operations	**(10,493)**	(2,361)	(17,179)
Special tax item – prior year Patent Box credit	**-**	1,323	1,312
Special tax item – recognition of capital losses	**1,079**	-	-
Special tax item – deferred tax credit as a result of the UK Corporate rate change	**1,132**	-	-
Tax on special items	**2,774**	83	2,707
Special items after taxation from continuing operations	**(5,508)**	(955)	(13,160)

- Acquisition-related expenses in the prior year to 30 April 2015 are primarily the fees associated with the acquisition of Aesica other than those related to the equity raised and the new debt funding arrangement. In the period to 31 October 2014, these are diligence costs incurred in investigating potential investment opportunities and include costs arising from the acquisition of Aesica Holdco Limited to the extent they were incurred at 31 October 2014.

- Integration costs are in relation to restructuring activity following the completion of the integration programme at Aesica; mainly employee and property or move related in nature.

- Amortisation of acquired intangible assets represents the charge for other intangible assets within Aesica (acquired in 2014) of £6.1m and £0.4m in relation to The Medical House acquired in 2009.

- A special tax item of £1.3m arose in the prior year and prior period in respect of the recognition of Patent Box benefits relating to the prior year. There is no prior period Patent Box benefit in the period to 31 October 2015.

Notes to the accounts (continued)

3. Special items (continued)

- A special tax item of £1.1m has been recognised in the current period as a result of the recognition of deferred tax on capital losses which are available for offset against deferred tax liabilities arising from the upward revaluation of land.
- A special tax item of £1.1m also arises in the current period in respect of a significant tax credit as the Group's deferred tax assets and liabilities were revalued using the lower rate of UK Corporate Tax of 19% from 1 April 2017 and 18% from 1 April 2020 (reduced from 20%).

Special items from discontinued operations are described in note 15.

4. Finance costs

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
	£000	£000	£000
Accelerated amortisation of upfront loan arrangement fees	**-**	-	(288)
Interest on bank overdrafts and loans including amortised fees	**(1,719)**	(453)	(2,072)
Total finance costs	**(1,719)**	(453)	(2,360)

Other finance costs			
Net interest cost on defined benefit scheme	**(342)**	(42)	(144)
Foreign exchange losses	**(313)**	(130)	(280)
Total other finance costs	**(655)**	(172)	(424)

5. Taxation

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
	£000	£000	£000
Current income tax from continuing operations			
UK corporation tax	**(1,175)**	(58)	(60)
Foreign tax	**(653)**	-	(980)
Deferred taxation	**4,149**	(19)	1,790
Income tax expense reported in the consolidated income statement	**2,321**	(77)	750
The tax charge from continuing operations is analysed between:			
Tax on profit before special items	**(2,664)**	(1,483)	(3,269)
Special tax item – prior year Patent Box credit	**-**	1,323	1,312
Special tax item – recognition of capital losses	**1,078**	-	-
Special tax item – deferred tax credit as a result of the UK Corporate rate change	**1,133**	-	-
Tax on special items	**2,774**	83	2,707
Income tax expense reported in the consolidated income statement	**2,321**	(77)	750

Special tax items above are described further in note 3.

Notes to the accounts (continued)

6. Earnings per share

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
	£000	£000	£000
The calculation of earnings per ordinary share is based on the following:			
Continuing operations (basic and diluted)			
Profit for the period – attributable to ordinary shareholders	**5,936**	7,237	6,262
Add back: Special items after taxation	**5,508**	955	13,160
Adjusted earnings	**11,444**	8,192	19,422
Discontinued operations (basic and diluted)			
Loss / (Profit) for the period – attributable to ordinary shareholders	**(48)**	28	(1,314)
Add back: Special items after taxation	**48**	(28)	1,314
Adjusted earnings	**-**	-	-
Total (basic and diluted)			
Profit for the period – attributable to ordinary shareholders	**5,888**	7,265	4,948
Add back: Special items after taxation	**5,556**	927	14,474
Adjusted earnings	**11,444**	8,192	19,422
Number of shares			
Weighted average number of ordinary shares in issue for basic earnings	**49,090,720**	28,952,356	41,052,774
Rights issue adjustment factor	**-**	1.14	-
	49,090,720	33,100,668	41,052,774
Weighted average number of shares owned by Employee Share Ownership Trust	**(374,130)**	(337,353)	(400,600)
Average number of ordinary shares for in issue for basic earnings	**48,716,590**	32,763,315	40,652,174
Dilutive impact of share options outstanding	**571,474**	626,408	722,650
Diluted weighted average number of ordinary shares in issue	**49,288,064**	33,389,723	41,374,824
	Pence	Pence	Pence
Continuing operations			
Adjusted basic earnings per share	**23.5**	24.8	47.8
Unadjusted basic earnings per share	**12.2**	21.9	15.4
Adjusted diluted earnings per share	**23.2**	24.3	46.9
Unadjusted diluted earnings per share	**12.0**	21.5	15.1
Continuing and discontinued operations			
Unadjusted basic earnings per share	**12.1**	22.2	12.2
Unadjusted diluted earnings per share	**11.9**	21.8	12.0

As shown above, the comparatives for the period ended 31 October 2014 have been restated for the rights issue and issuance of new shares to Aesica management to enable meaningful comparison of the pre and post rights issue/acquisition earnings and distributions.

Notes to the accounts (continued)

7. Dividends

	Unaudited 1 May to 31 October 2015 £000	Unaudited 1 May to 31 October 2014 £000	Audited 1 May to 30 April 2015 £000
Final dividend for the year ended 30 April 2015 of 11.68p per share (2015: final dividend for 2014 of 13.35p per share)	**5,722**	3,881	3,881
Interim dividend paid in 2015: 6.43p per share	**-**	-	3,130
	5,772	3,881	7,011

The directors are proposing an interim dividend for the year ending 30 April 2016 of 6.75p per share which will absorb an estimated £3.3 million of shareholders' equity. It will be paid on 12 February 2016 to shareholders who are on the register on 15 January 2016.

8. Capital expenditure

In the period there were additions to property, plant and equipment of £9.3 million (H1 FY2015: £8.5 million). Capital commitments contracted for but not provided for by the Group amounted to £6.5 million (H1 FY2015: £7.8 million).

9. Financial assets and liabilities

The following table sets out the classification of the Group's financial assets and liabilities. Receivables and payables have been included to the extent that they are classified as financial assets and liabilities in accordance with IAS 32, Financial Instruments: Presentation. Provisions have been included where there is a contractual obligation to settle in cash.

Financial assets	**Unaudited 31 October 2015 £000**	Unaudited 31 October 2014 £000	*Restated* 30 April 2015 £000
Cash and cash equivalents*	**11,580**	30,001	45,201
Trade receivables	**45,665**	15,693	46,967
Other receivables	**7,130**	1,166	2,621
Total loans and receivables *	**52,795**	16,859	49,588
Available for sale financial asset – contingent consideration	**950**	3,862	2,547
Equity investment in Atlas Genetics Limited	**6,266**	4,068	6,266
Total available-for-sale financial assets	**7,216**	7,930	8,813

Financial liabilities	**Unaudited 31 October 2015 £000**	Unaudited 31 October 2014 £000	*Restated* 30 April 2015 £000
Trade payables	**(25,641)**	(7,624)	(24,120)
Other creditors and accruals	**(28,309)**	(10,741)	(44,943)
Interest bearing loans and borrowings	**(108,401)**	-	(146,145)
Total amortised cost *	**(162,351)**	(18,365)	(215,208)
Contingent consideration	**-**	-	(1,650)
Currency exchange contracts	**(30)**	(81)	(117)
Total fair value through profit and loss financial liabilities	**(30)**	(81)	(1,767)

* The directors consider that the carrying value of amounts of these financial assets and liabilities recorded at amortised costs in the financial statements are approximately equal to their fair values.

Notes to the accounts (continued)

9. Financial assets and liabilities (continued)

All financial liabilities have a contractual maturity date that is less than 12 months from the balance sheet date. The equity investment in Atlas Genetics is an unquoted investment and therefore held at cost, less any provision for impairment as its fair value cannot be measured reliably in the absence of an active market. Interest bearing loans and borrowings includes a borrowing of £27.3m at 31 October 2015 which has been designated as a hedge of the net investments in the two subsidiaries in Italy and Germany, Aesica Pharmaceuticals GmbH. and Aesica Pharmaceuticals S.r.l.

Financial assets at fair value

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 31 October 2015				
Available for sale financial asset – contingent consideration	**-**	**-**	**950**	**950**
At 31 October 2014				
Available for sale financial asset – contingent consideration	-	-	3,862	3,862
At 30 April 2015				
Available for sale financial asset – contingent consideration	-	-	2,547	2,547

Financial liabilities at fair value

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 31 October 2015				
Currency exchange contracts	**-**	**(30)**	**-**	**(30)**
At 31 October 2014				
Currency exchange contracts	-	(81)	-	(81)
At 30 April 2015				
Contingent consideration	-	-	(1,650)	(1,650)
Currency exchange contracts	-	(117)	-	(117)

Under the terms of the disposal of King Systems, completed on 15 February 2013, the purchaser, Ambu A/S, is due to pay amounts of consideration contingent upon the performance of King following disposal. The remaining financial asset relates to the final payment for the sales of King Vision products for the year ending 30 April 2016. The reduction in the period is primarily due to the receipt in the period of £1.5m and foreign exchange.

10. Analysis of net debt/(cash)

	Unaudited 31 October 2015 £000	Unaudited 31 October 2014 £000	Audited 30 April 2015 £000
Current assets:			
Cash and cash equivalents	**11,580**	30,001	45,201
	11,580	30,001	45,201
Group borrowings:			
Interest-bearing loans and borrowings	**(108,401)**	-	(146,145)
Unamortised facility fees	**1,533**	-	1,731
Net borrowings	**(106,868)**	-	(144,414)
Net (debt) / cash	**(95,288)**	30,001	(99,213)

Notes to the accounts (continued)

10. Analysis of net debt / (cash) (continued)

On 26 September 2014, the Group cancelled its $56m multicurrency revolving facility and the £40m multicurrency revolving facility and on 29 September 2014 signed a new £160m multicurrency revolving facility. Under the terms of the refinancing, the Group also has a £65m "accordion" facility (£25m under the previous facility); by which further facilities may be made available by Barclays, Lloyds, RBS and Santander under the current terms to support significant investment or acquisition opportunities which may arise. The new revolving credit facilities expire in September 2019. The drawdowns on the facility as at 31 October 2015 are included within short term borrowings as they were rolling amounts with a one month interest period. The undrawn facilities are unsecured. The bank loans and overdrafts are subject to cross-guarantees between Group undertakings. Interest on the multicurrency revolving credit facility is charged at LIBOR plus a margin of between 1.65% and 1.90%, depending upon the ratio of net debt to EBITDA (earnings before interest, tax, depreciation and amortisation), and on UK overdrafts at 1.75% above UK base rate.

As part of a corporate reorganisation, it was necessary to make a short term borrowing of £37.6m on the Group's banking facilities, which was repaid on 5 May 2015. This borrowing has no impact on the Group's net debt at 30 April 2015, as it was represented by cash within Group subsidiaries.

11. Reconciliation of net cash flow to movement in net (debt) / cash

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
	£000	£000	£000
Net (debt)/cash at the beginning of the period	**(99,213)**	25,843	25,843
Net decrease / (increase) in cash and short-term borrowings	**4,198**	4,280	20,354
Proceeds from new bank funding	**-**	-	(163,610)
Repayment of old borrowing	**-**	-	15,000
Unamortised facility fees	**-**	-	1,731
Amortisation of facility fees	**(198)**	-	-
Effects of exchange rate changes	**283**	(122)	1,724
Other non-cash movements	**(358)**	-	(255)
Net (debt) / cash at the end of the period	**(95,288)**	30,001	(99,213)

12. Defined benefit pension scheme deficit

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2015
	£000	£000	£000
Pension deficit at start of the period	**21,147**	2,076	2,076
Acquisition of subsidiary	**-**	-	3,344
Current service cost	**790**	578	1,257
Interest income	**(1,685)**	(1,916)	(3,825)
Interest cost	**2,026**	1,958	3,969
Return on scheme assets excluding interest	**4,768**	(2,147)	(7,081)
Effect of experience adjustments	**-**	-	(850)
Remeasurement of obligations	**(5,087)**	7,612	23,703
Employer contributions	**(983)**	(481)	(1,446)
Foreign exchange	**4**	-	-
Pension deficit at end of the period	**20,980**	7,680	21,147

Notes to the accounts (continued)

13. Related party transactions

The Group's significant related parties are its subsidiaries as disclosed in the Consort Medical plc annual report for the year ended 30 April 2015. There were no material related party transactions in the period or prior half-year period.

14. Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group's long-term performance remain those detailed on pages 30 and 31 of the Group's 2015 Annual Report & Accounts, a copy of which is available on the Group's website www.consortmedical.com. The risks are summarised below:

- Product quality failure
- Reliance upon key customers / products
- Regulatory risk
- Development risk
- Growth risk
- Cyber risk
- Financial risks, including credit risk, interest rate risk, currency risk, liquidity and leverage risk and pension risk.

15. Discontinued operations

The results arising from King Systems are classified as discontinued operations and special items and have been included in the consolidated income statement as follows:

	Unaudited 1 May to 31 October 2015	Unaudited 1 May to 31 October 2014	Audited 1 May to 30 April 2014
	£000	£000	£000
(Loss) / Profit on disposal: movement in fair value of contingent consideration	**(48)**	28	(1,314)
(Loss) / Profit before tax on discontinued operations	**(48)**	28	(1,314)
Net (loss) / profit on discontinued operations attributable to the owners of the Company	**(48)**	28	(1,314)

16. Share capital

Share capital as at 31 October 2015 amounted to £4.9 million (April 2015: £4.9 million). During the period, the Group issued 55,376 shares as part of exercises under the Consort Savings Related Share Option Scheme for total consideration of £0.3 million.

The Group purchases its own shares using an Employee Share Ownership Trust (ESOT) to satisfy entitlements under the Group's long-term incentive plan. The cost of the shares held by the ESOT is deducted from retained earnings. The Group purchased 247,170 shares for a consideration of £2.3 million during the period (H1 FY2015: £1.9 million, FY2015: £2.7 million). As at 31 October 2015, the ESOT held a total of 301,521 ordinary shares (30 April 2015: 417,276 shares) at a cost of £2.4 million (30 April 2015: £2.8 million) and market value of £2.3 million (30 April 2015: £3.9 million).

Notes to the accounts (continued)

17. Acquisition of subsidiary

On 12 November 2014, the Group acquired 100 per cent of the issued share capital of Aesica Holdco Limited, obtaining control of Aesica Holdco Limited ('Aesica'). The goodwill balance as at 31 October 2015 in relation to Aesica is £103.8m (FY2015 restated: £103.8m).

During the period to 31 October 2015 the Group completed the initial accounting for the acquisition as disclosed in the 30 April 2015 annual report and accounts. Therefore as set out in the table below, the 30 April 2015 comparative information has been adjusted retrospectively to adjust the provisional fair values of the identifiable assets acquired and liabilities assumed as at the date of acquisition.

	Provisional fair values as previously reported £000	**Restatement £000**	***Restated* Fair value recognised on acquisition £000**
Assets			
Property, plant and equipment	71,312	(5,713)	**65,599**
Cash and cash equivalents	6,221	-	**6,221**
Trade receivables	33,307	(1,288)	**32,019**
Inventory	26,930	41	**26,971**
Identified intangible assets	82,299	-	**82,299**
Other intangible assets	410	-	**410**
Current tax	1,765	(1,578)	**187**
Other receivables	3,550	(38)	**3,512**
Total identified assets	225,794	(8,576)	**217,218**
Liabilities			
Trade and other payables	(24,377)	-	**(24,377)**
Accruals, deferred income , provisions and other payables	(46,079)	(1,022)	**(47,101)**
Deferred tax liability	(29,812)	2,107	**(27,705)**
Total identified liabilities	(100,268)	1,085	**(99,183)**
Net identified assets	125,526	(7,491)	**118,035**
Goodwill	101,103	7,491	**108,594**
Total consideration	226,629	-	**226,629**

The significant adjustments to fair values made in the period are as follows:

- Property, plant and equipment – decrease of £5.7m as a result of concluding a detailed review and valuation exercise
- Trade receivables – decrease of £1.3m to increase provisions against old debtor balances and credit notes
- Accruals, deferred income, provisions and other payables – decrease of £0.9m mainly as a result of new information obtained which reflects circumstances in existence at the acquisition date
- Current tax – decrease of £1.6m to record additional provisions
- Deferred tax – increase of £2.1m on the non-tax related opening balance sheet adjustments above