Registered number: 04923945

BIOVENTIX PLC

Financial statements

FOR THE YEAR ENDED 30 JUNE 2010

BIOVENTIX PLC

COMPANY INFORMATION

DIRECTORS	P Harrison I J Nicholson K S Tan T Cowper (appointed 1 March 2010)
COMPANY SECRETARY	Cargil Management Services Limited
COMPANY NUMBER	04923945
REGISTERED OFFICE	27-28 Eastcastle Street London W1W 8DH
AUDITORS	H W Fisher & Company Chartered Accountants & Statutory Auditors Acre House 11-15 William Road London NW1 3ER United Kingdom

BIOVENTIX PLC

CONTENTS

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

The Chairman and the Chief Executive present their statement for the period

The activities of the company remained largely unchanged during the financial period Resources continued to be focussed on the creation and supply of sheep monoclonal antibodies for use on clinical diagnostics machines used at hospitals, clinics and other laboratories Such machines, provided by large multinational diagnostics companies such as Roche Diagnostics (Mannheim), Abbott Laboratories (Chicago), Siemens Healthcare Diagnostics (Deerfield) and others, are used for the analysis of blood, urine and other samples from human patients

Over the last 12 months, the company has enjoyed a solid financial performance with continued profitability and further strengthening of the balance sheet Revenues from the supply of purified antibodies together with royalty payments derived from the sale of certain tests that feature Bioventix antibodies have been roughly even

Your attention is drawn to note 23 "Prior year adjustment" which provides further details on the £369,728 adjusted via reserves during the year ended 30 June 2010

The financial performance over the near future is expected to improve modestly as income from new tests featuring Bioventix antibodies (eg for Estradiol and testosterone) reach the market and royalty payments start to flow from these advanced projects

A major part of the company's research over the past two years has focussed on the creation of antibodies to vitamin D There is a high level of interest within the medical community in testing for vitamin D (specifically 25-hydroxy vitamin Ds) levels in patients, as a result of growing evidence of the importance that this vitamin has in various areas of human health Hence, there is interest amongst Bioventix customers in antibodies that can be used in such tests This research has yielded interesting internal data on the Bioventix vitamin D antibody portfolio, and one antibody in particular called vitD3 5H10 has exciting potential A clearer picture of the utility of vitD3 5H10 will not emerge until further customer feedback is obtained during 2011

The substantial progress of Bioventix during the period is due above all to the contributions of its employees and their commitment to Bioventix's future On behalf of the Board, we would like to thank them for their efforts which have underpinned our success

On 15 March 2010 Bioventix Limited re-registered as a Plc and hence is now known as Bioventix plc Bioventix plc is now trading on PLUSMarket, and was quoted from April 2010 This resulted in a one off cost of £95,844

Name	P Harrison Managing Director	I J Nicholson Non executive Chairman
Date	1 Nov 2010	

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report and the financial statements for the year ended 30 June 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the development and supply of antibodies

BUSINESS REVIEW

Please refer to the full business review which is covered in the Chairman and Chief Executive's statement on page 1

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £564,421 *(2009 - £635,916)*

The board have declared and paid a dividend of 4p per share in March 2010 This equated to £202,000 (2009 - £58,500)

Following the end of the year, a dividend of 6p per share has been declared and paid

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2010

DIRECTORS

The directors who served during the year were

P Harrison
I J Nicholson
K S Tan
T Cowper (appointed 1 March 2010)

PRINCIPAL RISKS AND UNCERTAINTIES

Dependence on key employees
The company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the company's business The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre, could have a significant adverse effect of the business of the company

Technology
For SMAs that are in the research and development, there is a risk of technical failure This can occur as assays fail to perform with the desired precision Failure can also arise when external "field trials" at hospitals using prototype assays identify patient samples that give erroneous results

For projects at the early phase and others that may feature in the medium to long term, there is a risk that new antibody technologies available to third party companies may eclipse Bioventix's SMA technology and these new technologies produce superior antibodies An example of such technologies includes monoclonal antibodies from rabbits

The company may come to face competition from other businesses that possess skills and technologies that are not known or available at present Such competition could prevent the company from achieving sales Further, competitors may develop products or technologies that make Bioventix's technology obsolete

The company may also face claims that its use of its technology infringes the intellectual property rights of others and may become involved in legal proceedings in connection with such claims The company may also generally face legal proceedings in the course of its business The company cannot preclude the possibility that litigation may be brought against it from time to time Any such claims, legal proceedings and litigation may have a material adverse effect on the financial performance and/or the business of the company The company's insurance may not cover all or any part of any claims which customers or third parties may bring against the company or may not be sufficient to protect the company against any liability that may be imposed on it

Regulatory Environment
The medical diagnostics field in which the company operates is highly regulated Whilst the company's antibodies are not themselves regulated, the tests in which they are used by the company's customers must be approved by regulatory bodies such as the US Food and Drug Administration before they can be commercialised Achieving and maintaining such approval by its customers is therefore necessary to the continued success of the company

Distribution Risk
The company's antibodies are derived from sheep and therefore might be regarded as a sheep-derived product Any future restriction on the distribution, import/export and use of sheep products or sheep-derived products that might be imposed by government authorities for whatever reason could materially affect it's business

Market Risk
There has been a process of merger and acquisition within the blood testing machine companies who are

Bioventix's customers Such activity can result in the rationalisation of individual machines Therefore, machines that feature Bioventix antibodies could be replaced by machines that do not

Even in the absence of such mergers and acquisitions, machines can be developed within a company such that assays featuring Bioventix antibodies are withdrawn or replaced

Exchange rate fluctuation
The majority of the company's revenues are denominated in either US Dollars or Euros whilst the majority of its operating costs are in Sterling Bioventix is therefore exposed to foreign currency risk due to fluctuations in exchange rates This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the company's operating results

EVENTS SINCE THE END OF THE YEAR

During August 2010, Bioventix Plc announced that it would purchase 24,615 ordinary shares at a price of £1 95, from its employees, for cancellation

Following this transaction the company now has 5,025,385 ordinary shares in issue

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company maintains good relationships with its suppliers and payment terms have typically been 20 days (2009 45 days)

DIRECTOR'S THIRD PARTY INDEMNITY PROVISIONS

During the year the company had in place Directors and Officers insurance The cost of this was £3,948

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

During the year, Wise & Co retired as auditors and HW Fisher & Company were appointed

The auditors, H W Fisher & Company, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2010

This report was approved by the board on 1 Nov 2010 and signed on its behalf

P Harrison
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC

We have audited the financial statements of Bioventix PLC for the year ended 30 June 2010, set out on pages 8 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 Auditors' 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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BIOVENTIX PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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

C J Hazard (Senior statutory auditor)
for and on behalf of
H W FISHER & COMPANY
Chartered Accountants
Statutory Auditors
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Date 1 November 2010

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 £	2009 £ (as restated)
TURNOVER	1,2	**1,578,162**	*1,647,679*
Cost of sales		**(197,309)**	*(160,356)*
GROSS PROFIT		**1,380,853**	*1,487,323*
Administrative expenses		**(605,782)**	*(503,259)*
Exceptional costs of listing on PLUS Market		**(95,844)**	-
Total administrative expenses		**(701,626)**	*(503,259)*
Other operating income	3	**75**	*100*
OPERATING PROFIT	4	**679,302**	*984,164*
Interest receivable	7	**3,404**	*13,897*
Interest payable	8	-	*(140,981)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**682,706**	*857,080*
Tax on profit on ordinary activities	9	**(118,285)**	*(221,164)*
PROFIT FOR THE FINANCIAL YEAR		**564,421**	*635,916*
Earnings per share			
Basic		11 37p	12 91p
Diluted		11 37p	12 59p

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 11 to 22 form part of these financial statements

BIOVENTIX PLC
REGISTERED NUMBER· 04923945

BALANCE SHEET
AS AT 30 JUNE 2010

	Note	2010 £	2010 £	*2009 £*	*2009 £ (as restated)*
FIXED ASSETS					
Intangible fixed assets	10		**70,000**		*90,000*
Tangible fixed assets	11		**463,690**		*460,028*
			533,690		*550,028*
CURRENT ASSETS					
Stocks	12	**90,175**		*118,899*	
Debtors	13	**573,992**		*525,359*	
Cash at bank and in hand		**1,349,084**		*1,184,471*	
		2,013,251		*1,828,729*	
CREDITORS. amounts falling due within one year	14	**(173,992)**		*(1,442,989)*	
NET CURRENT ASSETS			**1,839,259**		*385,740*
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,372,949**		*935,768*
PROVISIONS FOR LIABILITIES					
Deferred Tax	15		**(7,173)**		*(85,349)*
NET ASSETS			**2,365,776**		*850,419*
CAPITAL AND RESERVES					
Called up share capital	16		**252,500**		*3,850*
Share premium account	17		**-**		*166,681*
Other reserves	17		**-**		*369,728*
Profit and loss account	17		**2,113,276**		*310,160*
SHAREHOLDERS' FUNDS	18		**2,365,776**		*850,419*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 Nov 2010

P Harrison
Director

The notes on pages 11 to 22 form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 £	2009 £ *(as restated)*
Net cash flow from operating activities	25	**640,965**	*867,289*
Returns on investments and servicing of finance	26	**(94,096)**	*13,897*
Taxation		**(149,195)**	*(60,870)*
Capital expenditure and financial investment	26	**(31,061)**	*(7,346)*
Equity dividends paid		**(202,000)**	*(58,500)*
CASH INFLOW BEFORE FINANCING		**164,613**	*754,470*
Financing	26	**-**	*17,143*
INCREASE IN CASH IN THE YEAR		**164,613**	*771,613*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2010

	2010 £	2009 £
Increase in cash in the year	**164,613**	*771,613*
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	**164,613**	*771,613*
Debt converted to equity	**1,071,438**	-
Finance charge added to debt	**-**	*(43,481)*
MOVEMENT IN NET DEBT IN THE YEAR	**1,236,051**	*728,132*
Net funds/(debt) at 1 July 2009	**113,033**	*(615,099)*
NET FUNDS AT 30 JUNE 2010	**1,349,084**	*113,033*

The notes on pages 11 to 22 form part of these financial statements

1 ACCOUNTING POLICIES

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1 2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

Direct sales are recognised at the date of dispatch, and royalties are accrued over the period to which they relate

1 3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and loss account over its estimated economic life

The know how was acquired in December 2003, and the company contintutes to derive economic benefit from it The Directors consider it to be appropriate to continue to amortise the know how over its estimated economic life of 10 years

Amortisation is provided at the following rates

Goodwill	-	Over 10 years
Know how	-	Over 10 years

1 4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2%	straight line
Plant and equipment	-	25%	reducing balance
Motor Vehicles	-	25%	straight line
Equipment	-	25%	straight line

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1 ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1 8 Research and development

Research and development expenditure is written off in the year in which it is incurred

2 TURNOVER

The whole of the turnover is attributable to the development and supply of antibodies

The geographical split of turnover is

	2010 £	*2009 £*
United Kingdom	**35,291**	*58,196*
Other EU	**758,117**	*808,087*
USA	**760,582**	*754,136*
Rest of the World	**24,172**	*27,260*
Total	**1,578,162**	*1,647,679*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

3 OTHER OPERATING INCOME

	2010	2009
	£	£
Sundry income	75	100

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Amortisation - goodwill and know how	20,000	20,000
Depreciation of tangible fixed assets		
- owned by the company	27,399	22,790
Auditors' remuneration	10,000	5,760
Difference on foreign exchange	11,765	(14,712)
Exceptional cost of listing on PLUS Market	95,844	-
Research and development costs written off	547,125	437,324

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010	2009
	£	£
Wages and salaries	352,202	332,685
Social security costs	37,415	36,077
	389,617	368,762

The average monthly number of employees, including the directors, during the year was as follows

	2010	2009
	No	No
Management and administration	3	3
Scientific	7	7
	10	10

6 DIRECTORS' REMUNERATION

	2010	2009
	£	£
Emoluments	67,624	57,388

7 INTEREST RECEIVABLE

	2010	*2009*
	£	*£*
Other interest receivable	3,404	*13,897*

8 INTEREST PAYABLE

	2010	*2009*
	£	*£ (as restated)*
Other interest payable	-	*140,981*

9 TAXATION

	2010	*2009*
	£	*£ (as restated)*
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	105,451	*200,553*
Adjustments in respect of prior periods	9,512	*-*
Total current tax	114,963	*200,553*
Deferred tax (see note 15)		
Origination and reversal of timing differences	3,322	*20,611*
Tax on profit on ordinary activities	118,285	*221,164*

9 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2009 - lower than)* the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010	*2009*
		£
	£	*(as restated)*
Profit on ordinary activities before tax	**682,706**	*857,080*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% *(2009 - 28%)*	**191,158**	*239,982*
Effects of		
Expenses not deductible for tax purposes	**26,862**	*115*
Depreciation for year in excess of capital allowances	**(453)**	*2,677*
Utilisation of tax losses	**-**	*(7,241)*
Overpayment as prior year computation restated	**81,498**	*-*
Refunded after uplifted research and development claims	**(71,986)**	*-*
Research and development enhanced expenditure relief	**(112,116)**	*(22,072)*
Small companies relief	**-**	*(12,908)*
Current tax charge for the year (see note above)	**114,963**	*200,553*

Factors that may affect future tax charges

There were no factors that may affect future tax charges

10 INTANGIBLE FIXED ASSETS

	Goodwill £	Know how £	Total £
Cost			
At 1 July 2009 and 30 June 2010	100,000	100,000	200,000
Amortisation			
At 1 July 2009	55,000	55,000	110,000
Charge for the year	10,000	10,000	20,000
At 30 June 2010	65,000	65,000	130,000
Net book value			
At 30 June 2010	35,000	35,000	70,000
At 30 June 2009	*45,000*	*45,000*	*90,000*

The know how was acquired in December 2003, and the company continutes to derive economic benefit from it The Directors consider it to be appropriate to continue to amortise the know how over its estimated economic life of 10 years

11 TANGIBLE FIXED ASSETS

	Freehold property £	Laboratory equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 July 2009	475,000	112,922	1,000	11,925	600,847
Additions	-	21,348	7,500	2,213	31,061
Disposals	-	-	(1,000)	-	(1,000)
At 30 June 2010	475,000	134,270	7,500	14,138	630,908
Depreciation					
At 1 July 2009	52,250	78,127	1,000	9,442	140,819
Charge for the year	9,500	14,313	1,875	1,711	27,399
On disposals	-	-	(1,000)	-	(1,000)
At 30 June 2010	61,750	92,440	1,875	11,153	167,218
Net book value					
At 30 June 2010	413,250	41,830	5,625	2,985	463,690
At 30 June 2009	*422,750*	*34,795*	-	*2,483*	*460,028*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

12. STOCKS

	2010	2009
	£	£
Finished goods	**90,175**	*118,899*

13. DEBTORS

	2010	2009
	£	£
Trade debtors	**71,640**	*68,460*
VAT recoverable	**31,620**	*9,138*
Other debtors	-	*17,143*
Prepayments and accrued income	**470,732**	*430,618*
	573,992	*525,359*

14 CREDITORS
Amounts falling due within one year

	2010	2009
		£
	£	(as restated)
Convertible loans	-	*1,071,438*
Trade creditors	**24,088**	*32,392*
Corporation tax	**105,451**	*139,683*
Social security and other taxes	**10,946**	*8,916*
Other creditors	**8,440**	*75,057*
Accruals and deferred income	**25,067**	*115,503*
	173,992	*1,442,989*

Convertible loan notes amounting to £1,071,438 were converted during the year into 6,250 Preferred Ordinary Shares in accordance with the terms of the loan note

15 DEFERRED TAXATION

	2010	2009
		£
	£	(as restated)
At beginning of year	**85,349**	*64,738*
(Released during)/charge for year	**(78,176)**	*20,611*
At end of year	**7,173**	*85,349*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

15 DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2010	2009
	£	£ (as restated)
Accelerated capital allowances	7,173	3,851
Timing difference on interest paid	-	81,498
	7,173	85,349

16. SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
5,050,000 Ordinary shares of 5p each	252,500	-
2,972 Ordinary shares of £1 each	-	2,972
878 Preferred ordinary shares of £1 each	-	878
	252,500	3,850

On 8 March 2010 the convertible loan notes of £1,071,438 were converted into 6,250 preferred ordinary shares, increasing share capital to £10,100

On 9 March 2010 the issued and unissued preferred ordinary shares of £1 each, in the capital of the company were redesignated as ordinary shares of £1 each

On the same date a bonus issue was undertaken, under which 24 new ordinary shares were issued for every 1 ordinary share in issue, resulting in an increase in the share capital of £242,100, and a total issued share capital of £252,500

On the same date each ordinary share of £1 each was sub-divided into 20 ordinary shares of 5p each

17 RESERVES

	Share premium account £	Equity reserve £	Share capital £	Profit and loss account £
At 1 July 2009 as restated	166,681	369,728	3,850	310,160
Profit for the year	-	-	-	564,421
Dividends Equity capital	-	-	-	(202,000)
Conversion of loan in the year	1,434,916	(369,728)	6,250	-
Bonus issue	(242,400)	-	242,400	-
Release of deferred tax liability on convertible loan interest	-	-	-	81,498
Release of share premium	(1,359,197)	-	-	1,359,197
Total	-	-	252,500	2,113,276

The equity reserve related to the convertible loan notes and represented the difference between the net issue proceeds of £1,071,438 and the liability component of £ 701,710 at the time of issue This is accounted for as an equity instrument in accordance with FRS25

The original profit and loss account as at 1 July was £679,888 and the equity reserve was £nil The opening shareholders funds at 1 July 2009, whilst remaining unchanged in total, were reallocated between the profit and loss account and the equity reserve to the value of £369,728

On 11 March 2010 the capital of the company was reduced by the cancellation of the entire credit to the share premium account (being the sum of £1,359,197) This was credited to the profit and loss reserve

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	*2009 £*
Opening shareholders' funds	850,419	*212,379*
Prior year adjustments	-	*43,481*
Opening shareholders' funds (as restated)	850,419	*255,860*
Profit for the year	564,421	*635,916*
Dividends (Note 20)	(202,000)	*(58,500)*
Net proceeds of shares issued in the year	-	*17,143*
Conversion of the loan note in the year	1,071,438	-
Release of deferred tax liability on convertible loan interest	81,498	-
Closing shareholders' funds	2,365,776	*850,419*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

19 DIVIDENDS

	2010	*2009*
	£	*£*
Dividends paid on equity capital	**202,000**	*58,500*

A dividend of 6p per share has been declared following the year end This equated to £303,000

20 RELATED PARTY TRANSACTIONS

The company was under the control of Mr P Harrison until the convertible loan note was converted The company is now a subsidiary of Springhill Bio Ventures Sendirian Berhad, a company incorporated in Malaysia Springhill Bio Ventures Sendirian Berhad held the convertible loan notes in Bioventix Plc, and upon conversion of these loan notes became the controlling party of Bioventix Plc

During the year a dividend of £140,000 was paid to Springhill Bio Ventures Berhad During the prior year interest on the convertible of £97,500 was accrued This amount was paid during the current year

During the year K S Tan received a salary of £3,000 from Bioventix Plc K S Tan is a director of Bioventix Plc and Springhill Bio Ventures Sendirian Berha (2009-£nil)

21. POST BALANCE SHEET EVENTS

During August 2010, Bioventix Plc announced that it would purchase 24,615 ordinary shares at a price of £1 95, from its employees, for cancellation

Following this transaction the company now has 5,025,385 ordinary shares in issue

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is under the control of Springhill Bio Ventures Sendirian Berhad, a company incorporated in Malaysia

23 PRIOR YEAR ADJUSTMENT

In prior years, FRS 25 "Financial Instruments Presentation" had not been correctly applied to the convertible loan notes in issue Thus, a prior year adjustment has been recognised to separately disclose the equity and liability components of that debt and to recognise the interest charges related to the amortisation of the liability component

Additional interest costs have been recognised in the year ended 30 June 2009 of £43,481 and in prior years of £326,247 Current tax charges in each period have been adjusted to reflect tax relief on these additional costs, however deferred tax liabilities have been recognised to the same amount to reflect the future tax due on conversion or repayment of the loan

The company has restated the profit and loss account, balance sheet and related notes for the year ended 30 June 2009 accordingly

In the year ended 30 June 2010 the loan notes were converted, and the additional interest costs which had been incurred have now been reversed This adjustment of £369,728 can be seen as a movement in reserves during this year

24 EARNINGS PER SHARE

Basic
The Basic earnings per share in the year ended 30 June 2010 is calculated by dividing the profit of £564,421 (2009 £635,916) attributable to the equity shareholders, by the weighted average number of ordinary shares in issue during the year of 4,964,384 (2009 restated at 4,925,000 ordinary shares to take account of the share split and bonus issue in 2010)

Diluted
Diluted earnings per share in the year ended 30 June 2010 is calculated by dividing the profit of £564,421 (2009 £635,916) attributable to the equity shareholders, by the weighted average number of ordinary shares in issue, after conversion during the year of the convertible loan notes, of 4,964,384 (2009 restated at 5,050,000 ordinary shares to take account of the share split and bonus issue in 2010)

25 NET CASH FLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit	679,302	984,164
Amortisation of intangible fixed assets	20,000	20,000
Depreciation of tangible fixed assets	27,399	22,790
Decrease/(increase) in stocks	28,723	(39,751)
Increase in debtors	(48,633)	(196,191)
(Decrease)/increase in creditors	(65,826)	76,277
Net cash inflow from operating activities	**640,965**	*867,289*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

26 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £	*2009 £*
Returns on investments and servicing of finance		
Interest received	3,404	*13,897*
Interest paid	(97,500)	*-*
Net cash (outflow)/inflow from returns on investments and servicing of finance	(94,096)	*13,897*

	2010 £	*2009 £*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(31,061)	*(7,346)*

	2010 £	*2009 £*
Financing		
Issue of ordinary shares	-	*17,143*

27 ANALYSIS OF CHANGES IN NET DEBT

	1 July 2009 £	Cash flow £	Other non-cash changes £	30 June 2010 £
Cash at bank and in hand	1,184,471	164,613	-	1,349,084
Debt				
Debts due within one year	(1,071,438)	-	1,071,438	-
Net funds	113,033	164,613	1,071,438	1,349,084