Scientific Digital Imaging plc
Annual Report & Accounts 2015

Scientific Digital Imaging plc is focused on the application of digital imaging technology to the needs of the scientific and technology community.

SDI designs and manufactures digital technology products through its Synoptics brands (Syngene, Synoptics Health, Synbiosis and Syncroscopy), the Artemis CCD brands (Atik Cameras and Artemis CCD Cameras) and the Opus Instruments brand (Osiris).

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For more information, visit:
www.scientificdigitalimaging.com

Chairman's statement

"The Company has delivered profits in a challenging year when significant restructuring took place and investment has been made to ensure new products continue to meet our customers' current and future needs."

Ken Ford
Chairman

Overview

During the year to April 2015, Scientific Digital Imaging plc ("SDI") invested in cost restructuring and change in commercial strategy of Synoptics, the benefits of which are taking effect. In addition Atik had an excellent year with both sales and profitability exceeding budget. In the second half of the financial year Synoptics, Opus Instruments and Atik have shown increased sales revenue across all sales territories contributing to a growth in their turnover and profitability, in line with management expectations.

SDI's restructuring has been well received and has helped secure over £500,000. The Board is confident that SDI is now in a strong position for continued good growth through increased profitable revenue and acquisition of new companies.

Financial Results

Revenue for the year ended 30 April 2015 was £7.0m (2014: £7.0m). This has resulted in an operating profit for the year of £59k and £393k before costs of reorganisation, acquisition and fundraising and share based payments. This result is inclusive of currency losses. Basic profit per share was 0.15p and diluted profit per share earnings were 0.15p.

These results are in line with management expectations and have been the result of high levels of growth within Atik and refocusing our commercial strategy with the Syngene and Synbiosis brands within Synoptics. Following the successful integration of Opus Instruments into SDI and stable growth of Synoptics, we are actively seeking complementary acquisitions to enable further revenue growth.

Strategy

During the year SDI has focused on improving the underlying business of Synoptics by reorganising the management structure to improve profitability and to bring in a newly motivated team to run the company. Atik is continuing to capitalise on an expanding distributor network and the cost effective development of new products. Highly promising opportunities to supply to new OEM customers are being explored.

In the year, Opus Instruments, which develops, manufactures and sells an infrared imaging system for art conservators has as expected, contributed new profits to our Group.

SDI continues to assess new businesses with complementary product portfolios and intends to add further new companies to the Group. SDI will also continue to invest in its current operations to take advantage of the under-exploited microbiology, antibiotic resistance testing and healthcare sectors where SDI's new products are currently well positioned for growth particularly in North America.

Current Trading and Outlook

In the financial year to the end of April 2015, SDI raised over £500,000 of new investment. SDI has continued to make process improvements to maintain the Company's skill base and output capability.

The Board anticipates that Opus Instruments and Artemis CCD will continue to make positive contributions to SDI and the new Synoptics products released in 2015, together with a more focused sales strategy, will result in continued growth.

The coming financial year will see continued organic and acquisitive growth and with the growing interest in our products in North America, particularly in the microbiology and antibiotic resistance testing sectors, the Board views the next financial year positively.

Staff

On behalf of the Board, I would like to thank our staff for continuing to work conscientiously during a challenging year when significant restructuring of Synoptics took place whilst ensuring new products meet our customers' current and future needs. The Board looks forward to the new financial year with renewed confidence.

Ken Ford
Chairman
27 July 2015

Chief executive's operating report

"The reorganisation of the Group is now complete and it is in a position to offer competitive products at competitive prices whilst achieving improved gross margins."

Mike Creedon
Chief Executive Officer

SDI designs and manufactures digital technology products for use by the scientific community, through its Synoptics brands (Syngene, Synoptics Health, Synbiosis, and Syncroscopy), the Artemis CCD brands (Atik Cameras and Artemis CCD Cameras) and the Opus Instruments brand (Osiris)

Synoptics

Synoptics designs and manufactures scientific instruments based on digital imaging, for the life science research, microbiology, healthcare and microscopy markets. The Divisions offer products under marketing brands including G:BOX, PXi, ProtoCOL, Protos and ProReveal, each targeting a different sector of these markets.

Syngene

Syngene remains the largest of the Synoptics divisions. The division provides systems and software for visualising and analysing gels and blots used by life scientists. Almost all research in biological sciences requires an understanding of molecular processes involving DNA, RNA and proteins, so gel electrophoresis and Western blotting are very actively used by many laboratories in this sector.

The market for image analysers is mature and Syngene continues to experience aggressive pricing competition in the DNA imaging sector, especially in North America, the largest life sciences market. This issue is being addressed by the introduction of a new-look, competitively priced imager, the PXi Access this year. The new imager received positive feedback at ArabLab and the American Society of Microbiology (ASM) trade shows and is beginning to sell across North America and Europe. Additionally, the basic image analyser, the G:BOX F3 introduced in 2014, remains a popular choice in China, Syngene's largest Asia Pacific territory.

The re-engineered high end G:BOX imaging range, the G:BOX Chemi XRQ and G:BOX Chemi XX6 systems that can image more complex 1D and 2D gels, as well as different blot types, is gaining market penetration in all territories. Syngene recognises that as well as being competitively priced it has to differentiate itself on service. Syngene has recruited new sales and support personnel in the US and Europe, all with life science imaging backgrounds to train and support distributors and manufacturers representatives, as well as develop relationships with kit and reagent manufacturers for co-promotion of Syngene products.

In the next six months, there is an opportunity to explore co-promoting the Synbiosis software alongside Syngene systems, by utilising the Synbiosis new mASTer antibiotic resistance testing software with the G:BOX XRQ. This could help Syngene enter a new market and provide a highly profitable new revenue stream.

With the combination of strengthened North American and European sales and support teams now in place, competitively priced imaging systems and new co-promotional opportunities, Syngene is well positioned for significantly improved performance in the forthcoming year.

Synbiosis

The Synbiosis Division provides systems for microbiologists to automatically count and measure microbial colonies and measure inhibition zones. These instruments are used for microbiological testing in food, water and pharmaceutical applications and benefit users by reducing labour costs, providing more reproducible results, and recording data for audit purposes, an area which is becoming increasingly important as microbiological testing becomes more regulated.

During the year, Synbiosis launched rapid microbiology identification software for ProtoCOL 3. The new Protos 3 system is a mid-range automated colony counter which also allows automated identification of colonies on chromogenic plates. This system is currently selling well in the food microbiology sector across Europe, where objective and fully traceable results are required.

The Chromogenic ID software for use with the ProtoCOL 3 system has also been upgraded to enable users to identify microbes cultured on other chromogenic media ranges including Oxoid media from Thermo Fisher Scientific, one of the world's largest media suppliers. Synbiosis anticipates the improved software will make this module more appealing to microbiologists globally and drive additional sales for both the software and ProtoCOL 3.

In 2015, Synbiosis developed the new mASTer software to measure zones around antibiotic sensitivity discs and then automatically predict antibiotic resistance from the results. The software, which can be used as a standalone product or with the ProtoCOL 3 was launched at the ASM trade show, where it was well received. The mASTer software is a timely product as there is a well-funded drive globally to produce more antibiotics, as well as rapidly test bacteria for antibiotic resistance.

In the next six months, Synbiosis is developing a new system, ChromoZona, for antibiotic resistance testing in clinical laboratories. The system is being evaluated by the MHRA (Medicines and Healthcare Products Regulatory Agency) for an In-vitro diagnostics (IVD) medical devices CE mark and this will allow Synbiosis the opportunity to promote ChromoZona for clinical diagnostic use in, for example, hospital laboratories, a large market segment that Synbiosis has hitherto not exploited.

Synoptics Health

The Synoptics Health division markets and supplies ProReveal, the only commercial test on the market of which the Directors are aware which complies with new UK recommendations for preventing iatrogenic variant Creutzfeldt - Jakob disease (vCJD) infections.

ProReveal is unlike any other test for detecting proteins on surgical instruments because it utilises much more sensitive fluorescence instead of colorimetric detection. It offers a highly sensitive alternative to swabbing techniques and tests the whole instrument for protein, rather than just a small, swabbed area. Taking less than 5 minutes to carry out, ProReveal generates results as a visual and quantitative display of the presence (or absence) of any protein and these results can be documented and archived as proof of process cleanliness.

After the year end, helpful new guidelines from the UK Department of Health were published which recommend that the upper limit of acceptable protein contamination after processing should be 5Qg BSA equivalent per instrument side, with a lower level necessary for neurosurgical instruments. The guidelines also stated that Ninhydrin swab kits, which are commonly used for the testing of cleaned instruments, are too insensitive for this application.

During the year, ProReveal achieved the BS EN ISO 15883-1 standard as a test for washer-disinfector efficacy and in October 2014 was reviewed by the UK government Rapid Review Panel and recommended for use in NHS England for optimising cleaning protocols. The new guidelines coupled with the quality standard and rapid review panel recommendation, position the ProReveal test as one of the few technologies that can be safely used in UK Sterile Services Departments (SSDs) and Synoptics Health believes this may encourage a gradual uptake of this technology in the UK's NHS.

To ensure ProReveal achieves sales outside the UK, Synoptics Health has continued to develop ProReveal for the cleaning validation market and is reviewing new distributors globally. Synoptics Health appointed a North American distributor in 2015 and is achieving success in placing the product in North American hospitals, making it easier for SSD staff to assess the technology in this major market.

Chief executive's operating report continued

Syncroscopy

The Syncroscopy division provides digital imaging software to microscope users via its main product, AutoMontage, a software package that allows customers to overcome the limited depth of field in an optical microscope. This product line is extended with the Scopepad 500, a touch screen microscope tablet with integrated camera and the Montage Pad App, derived from the AutoMontage software. Since Syncroscopy software and systems generate a small percentage of sales revenue for SDI, the Group is not actively promoting or investing in this Division but will continue to provide and support the product lines.

Artemis CCD

Artemis CCD designs and manufactures high-sensitivity cameras for use in a variety of low-light applications. These are primarily sold for deep-sky astronomy imaging, life science and industrial applications under its Atik Cameras brand.

Atik Cameras

Atik's mission is to make the world of astronomical imaging accessible for stargazers and enthusiasts so that this exceptional form of photography can be more widely enjoyed. Amateur astronomy remains the largest application for Atik Cameras. This is a niche area within the $25 billion global imaging market which requires highly specialised and refined camera design. Atik Cameras has seen year-on-year growth to become the leading European manufacturer in this area. Well-established in Europe, much of the marketing efforts over recent years have been directed at the North American market where the brand is seeing good growth.

While Amateur Astronomy is the largest sector of the Atik brand, work with Original Equipment Manufacturer (OEM) customers has seen a very significant increase compared with the previous year. Customers in this area come from a wide range of life science and industrial imaging areas, all with their own specialisations and requirements. Atik continually updates and develops its camera range, and a number of recent additions to the line are performing well.

Opus Instruments

Opus Instruments manufactures the Osiris infrared imaging system designed specifically for art conservators to capture high-resolution images of information not visible to the eye. SDI acquired Opus Instruments in 2014 and utilised its imaging expertise to introduce a touch screen version of the Osiris system that allows remote access to the software by 'phone or tablet. This allows art conservators to share results with colleagues in other galleries anywhere in the world.

This financial year is Opus's first full trading year as an SDI company and the redeveloped Osiris system coupled with a more active promotional strategy has, as predicted, produced positive sales growth in line with management expectations.

Summary

At Synoptics, Syngene's G:BOX systems are selling well internationally and the new mind-range PXi Access systems as an extension to the popular PXi range are gaining increasing global interest. Synbiosis Chromogenic ID software is stimulating sales of both the ProtoCOL 3 and Protos 3 which utilise it and with the introduction of mASTer software for antimicrobial resistance testing, the Synbiosis Division will continue to provide good revenue growth in 2015, particularly in North America and Europe.

The new UK guidelines on protein decontamination and positioning of the ProReveal test, together with its accessibility in North America will drive sales in the decontamination sector and hospital SSDs.

Opus Instruments is producing profits in line with expectations and Artemis CCD is contributing to the SDI Group via both intra-group revenues and growth in its amateur astronomy market.

As budgets in life science markets recover, we anticipate that competitively–priced, new and unique products will provide increased revenues. Our refocused commercial strategy for Synoptics and acquisition of companies with complementary technologies, will we believe result in solid, beneficial growth for SDI in the coming year.

Mike Creedon
Chief Executive Officer
27 July 2015

Strategic review

Principal Activity and Business Review

Scientific Digital Imaging plc (SDI) is focused on the application of digital technology to the needs of the scientific community. Its principal subsidiary is Synoptics Limited, which designs and manufactures special-purpose instruments for use mainly in the life sciences, supplying customers in the academic and research sectors.

The Board intends to pursue a strategy of acquiring related companies, as well as seeking to generate organic growth. The Board believes there are many businesses operating within the market, a number of which have not achieved critical mass, and that this presents an ideal opportunity for consolidation. This strategy will be primarily focused within Europe but, where opportunities exist, acquisitions in the United States and elsewhere will also be considered. The acquisition of Artemis and Perseu represented the first step in the implementation of this strategy in 2008 followed by the acquisition of Opus Instruments.

The Chairman's Report and Chief Executive's Operating Report, which appear on Pages 2 to 6, give an overview of the performance of the Group during the year and likely future developments.

Key Performance Indicators

The key financial performance indicators (KPI's) used to monitor the business include the order pipeline, revenue, gross profit, operating profit, cash and earnings per share. The KPI's are reviewed on a monthly basis against budget by the Directors and management in respect of changes within periods and changes between reporting periods.

The non-financial key performance indicator is to monitor research and development projects to project management targets.

Group Summary

- Group revenue for the year is stable at £7.0m (2014: £7.0m).
- Gross profit increased to £4.1m (2014: £4.0m) with increased gross margins at 59.2% (2014: 57.1%).
- Operating profit for the year was £59k (2014: £1k) and £393k (2014: £57k) before reorganisation costs, acquisition costs and share based payments.

Investment in R&D

Total research and development in the current year was £618k, representing 8.9% of Group sales (2014: £687k representing 9.8% of Group sales). Under IFRS we are required to capitalise certain development expenditure and in the year ended 30 April 2015 £280k (2014: £472k) of cost was capitalised and added to the balance sheet. This expenditure represents the Group's investment in new product development. The amortisation charge for 2015 was £312k (2014: £307k). The carrying value of the capitalised development at 30 April 2015 was £770k (2014: £802k) to be amortised over three years.

Reorganisation Costs

The Board constantly carries out a thorough review of the operations and structures of the Group which gave rise to £200k (2014: £22k) of costs from the review and reorganisation incurred in 2015.

Acquisition and Fundraising Costs

£126k of costs relating to work on potential acquisitions and fundraising (2014: £28k) were incurred in the year.

Earnings per Share

Basic profit per share for Group was 0.15p (2014: loss 0.16p) and diluted profit per share for the Group was 0.15p (2014: loss 0.16p).

Finance Costs and Income

Net financing expense was £36k (2014: £39k). Loan stock interest charges for the year were £nil (2014: £11k).

Taxation

The tax credit of £21k (2014: £nil) is largely due to prior year corporation tax adjustments and tax credits.

Cash Flow

During the year the Group improved cash flow, reporting a cash balance of £876k (2014: £539k) at the year end.

In January 2015 the Group raised £0.5m through an issue of 5.1m new shares at 10p. The funds raised were firstly used to pay acquisition costs for a transaction abandoned at a late stage and secondly, further re-structuring costs.

Funding and Deposits

The Group utilises short-term facilities to finance its operations. The Group has one principal banker with an invoice discounting facility and bank loan. Surplus funds are placed on short-term deposit.

The Group utilises long-term borrowings from bank loans, other loans and finance leases.

Strategic review continued

Principal risks and uncertainties

The following represent, in the opinion of the Board, the principal risks of the business. It is not a complete list of all the risks and the priority, impact and likelihood of the risks may change over time.

Dependence on key distributors

Failure to effectively manage our distributors of products could damage customer confidence and adversely affect our revenues and profits.

In order to mitigate this risk the Group has a team dedicated to maintaining close relationships with our distributors.

Competition

Competition from direct competitors or third party technologies could impact upon our market share and pricing.

In order to mitigate this risk the Group continues to invest in researching its markets and continues to offer new products in response to changing customer preferences. In addition the Group invests in research and development to maintain its competitive advantage.

Currency Translation

The results for the Group's overseas businesses are translated into Pounds Sterling at the average exchange rates for the relevant year. The balance sheets of overseas businesses are translated into Pounds Sterling at the relevant exchange rate at the year end. Exchange gains or losses from translating these items from one year to the next are recorded in other comprehensive income.

As with the majority of international companies, the Group's UK and overseas businesses purchase goods and services, and sell some of their products, in non-functional currencies. Where possible, the Group nets such exposures or keeps this exposure to a minimum. The Group's principal exposure is to US Dollar and Euro currency fluctuations.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out within the Strategic report. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described on pages 7 - 8. In addition, notes to the financial statements include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Board has prepared forecasts for the period to 31 December 2016. These reflect the sales projections for new products coming on stream as a result of the Group's research and development activity and continued cost management. The Group meets its cash flow and borrowing requirements through an invoice discounting facility which is a 12 month rolling contract and a bank loan as detailed in note 19. The Board's forecasts indicate that the Group will continue to trade within its existing facilities with scope to further manage its cost base if necessary. The Board is confident that continued focus on research and development, new product development and sales & marketing will deliver growth. The Board considers that the Group will have adequate cash resources within its existing facilities to continue to trade for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Acquisition strategy

The Board plans to make acquisitions of businesses if the targets fit appropriately into the Group by strengthening our product range and existing technologies, offering new and attractive routes to market, high performance and motivated management and a proven track record.

The successful implementation of our acquisition strategy depends on our ability to identify targets, in completing the transactions, to achieve an acceptable rate of return, and to successfully integrate the business in a timely manner post acquisition.

An example of the acquisition strategy is the acquisition of Opus Instruments Limited in the prior year. The deal provided SDI with an existing product, Osiris, which is used to examine works of art, but also with an infrared camera technology with other potential digital imaging applications.

Summary

The reorganisation of the Group is now complete and it is in a position to offer competitive products at competitive prices whilst achieving improved gross margins.

The Strategic report, which incorporates the Chairman's Statement, Chief Executive's Operating Report and Strategic review was approved by the Board of Directors, and signed on its behalf by.

Mike Creedon
Chief Executive Officer
27 July 2015

Report of the directors

Group Results

The Group profit for the year after taxation amounted to £44k (2014: loss £38k) and has been transferred to reserves.

The Board does not recommend the payment of a dividend.

Directors

The Directors who served during the period are set out below.

M Creedon
E K Ford
J Gibbs
Dr A Simon

The interests of the Directors and their families in the share capital of the Company are shown in the Remuneration report on page 13.

The appointment and replacement of Directors of the Company is governed by its Articles of Association and the Companies Acts. The Articles of Association may be amended by special resolution of the shareholders.

The Company must have a minimum of two Directors holding office at all times. There is no maximum number of Directors. The Company may by ordinary resolution, appoint any person to be a Director. The Board may appoint a person who is willing to act as Director, either to fill a vacancy or as an addition to the Board. A Director appointed in this way may hold office only until the dissolution of the next Annual General Meeting unless he or she is reappointed during the meeting.

Power of Directors

The Directors are responsible for the management of the business of the Company and may exercise all powers of the Company subject to applicable legislation and regulation and the Memorandum and Articles of Association.

At the Annual General Meeting held on 23 September 2014, the Directors were given the power to:

- Arrange for the Company to purchase its own shares in the market up to a limit of 15% of its issued share capital;
- Allot ordinary shares up to an aggregate nominal value of £93,000.
- Issue equity securities for cash, otherwise than to existing shareholders in proportion to their existing shareholdings, up to an aggregate nominal value of £14,000.

Structure of Share Capital

As at 30 April 2015 the Company's authorised share capital of £10,000,000 comprised 1,000,000,000 ordinary shares of 1p each.

As at 30 April 2015 the Company had 32,912,308 (2014: 27,777,308) ordinary shares in issue with a nominal value of 1p each.

Financial risk management objectives and policies

Financial risk management objectives and policies are discussed in Note 25 'Financial risk management objectives and policies'.

Employee involvement

During the year, the policy of providing employees with information about the Group has been continued through regular meetings which are held between local management and employees to allow a free flow of information and ideas.

The Group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Employees who become disabled are provided, where practicable, with continuing employment under normal terms and conditions and are provided with training and career development where appropriate.

Health and safety policies

The Group is committed to conducting its business in a manner which ensures high standards of health and safety for its employees, visitors and general public. It complies with all applicable and regulatory requirements.

Report of the directors continued

Substantial shareholdings

As at 30 April 2015 the following shareholders had each notified the Company that they held an interest of 3% or more, in the Company's ordinary share capital.

	Number of ordinary shares	Percentage of share capital
Dana Investments BV	3,496,494	10.62%
Herald Investment Management	2,936,667	8.92%
Charles Stanley Stockbrokers	1,591,688	4.84%
Hargreave Hale	1,476,667	4.49%
H L Tee CBE and family trust	1,396,000	4.24%
Rui Tripa	1,333,000	4.05%
Laurence Robinson	1,285,578	3.91%
Karen Robinson	1,250,578	3.80%
WH Ireland	1,223,000	3.72%
Parallel Ventures	1,209,704	3.68%
SJ and TD Chambers	1,066,000	3.24%
Sanibel Investments	1,045,000	3.18%
Ken Ford	1,000,000	3.04%

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 489 of the Companies Act 2006.

On behalf of the Board.

Mike Creedon
Chief Executive Officer
27 July 2015

Corporate governance statement

The Board remains committed to maintaining high standards of corporate governance throughout the Group. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the Company.

Statement about applying the principles of the Code

SDI does not fully comply with the UK Corporate Governance Code but has reported on the Company's Corporate Governance arrangements drawing upon best practice available, including those aspects of the UK Governance Code which the Board considers to be relevant to the Company.

The workings of the Board and its committees

The Board

The Board comprises the Chairman, one Executive Director and two Non-Executive Directors. Mr Gibbs, a Non-Executive Director is an advisor to a major shareholder and is not considered to be independent. The remaining Non-Executive Directors are considered to be independent, provide a solid foundation for good corporate governance for the Group, and ensure that no individual or group dominates the Board's decision making process. The Non-Executive Directors are independent of management. Each Non-Executive Director continues to demonstrate that they have sufficient time to devote to the Company's business.

The Non-Executive Directors constructively challenge and assist in developing the strategy of the Group using their experience and knowledge of acquisition targets and fundraising. They scrutinise the performance of management against the Group's objectives and also monitor the reporting of performance. The Board is provided with regular and timely information on the financial performance of the Group as a whole, together with reports on trading matters, markets and other relevant matters.

There are clearly defined roles for the Chairman and Chief Executive. The Chairman is responsible for leadership of the Board, ensuring effectiveness of the Board in all aspects, conducting Board meetings and the effective and timely communication of information to shareholders. The Chairman is able to provide advice, counsel and support to the Chief Executive. The Chief Executive has direct charge of the Group's day-to-day activities and sets the operating plans and budgets required to deliver the agreed strategy. The Chief Executive is also responsible for ensuring that the Group has in place appropriate risk management and control mechanisms.

The Board is collectively responsible for the performance of the Group and is responsible to shareholders for proper management of the Group. A statement of Directors' responsibilities is given on page 14 and a statement on going concern is given on page 8.

The Board has a formal schedule of matters specifically reserved to it for decisions including the approval of annual and interim results and recommendation of dividends, approval of annual budgets, approval of larger capital expenditure and investment proposals, review of the overall system of internal control and risk management and review of corporate governance arrangements. Other responsibilities are delegated to the Board Committees, being the Audit and Remuneration committees, which operate within clearly defined terms of reference, and which report back to the Board.

Relevant papers are distributed to members in advance of Board and Committee meetings. Directors' knowledge and understanding of the Group is enhanced by visits to the operations and by receiving presentations by senior management on the results and strategies of the business units. Directors may take independent professional advice on any matter at the Company's expense if they deem it necessary in order to carry out their responsibilities. The Company has secured appropriate insurance cover for Directors and Officers.

Board Committees

The following committees deal with specific aspects of the Group's affairs.

Remuneration Committee

Details of the Remuneration Committee can be found in the Directors' remuneration report on page 13.

Corporate governance statement continued

Audit Committee

The Audit Committee, which is chaired by A Simon and has J Gibbs and K Ford as members, meets not less than twice annually and more frequently if required.

The Board considers that each member of the Audit Committee has recent and relevant financial experience and an understanding of accounting and financial issues relevant to the industries in which Scientific Digital Imaging operates. The Committee provides a forum for reporting by the Group's external auditors. Meetings are also attended by executives at the invitation of the Committee.

The Audit Committee is responsible for reviewing a wide range of matters including the half year and annual accounts before their submission to the Board, and monitoring the controls which are in force to ensure integrity of the information reported to shareholders. The Audit Committee makes recommendations to the Board on the appointment and responsibilities of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with external auditors.

The Committee is also responsible for monitoring the cost effectiveness, independence and objectivity of Grant Thornton UK LLP, the external auditor, and agreeing the level of remuneration and extent of non-audit services.

Audit independence

The Board and Audit Committee place great emphasis on the objectivity of the Group's auditors, Grant Thornton UK LLP. Audit Committee meetings are attended by the auditors to ensure full communication of matters relating to the audit and the Audit Committee meets with the auditors without the executives present to discuss, amongst other matters, the adequacy of controls and any material judgement areas.

Internal control

The Board has overall responsibility for establishing and maintaining the Group's system of internal control and for reviewing its effectiveness. The Directors have reviewed the effectiveness of the system of internal controls in operation. The role of the Group's management is to implement the Board policies on risk and control. Internal control systems are designed to meet the particular needs of the business concerned and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The key procedures, which the Directors have established to review and confirm the effectiveness of the system of internal control, include the following:

- **Management Structure.** The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. The Chief Executive has been given responsibility for specific aspects of the Group's affairs. The Chief Executive also meets regularly with the Managing Directors and management teams of the subsidiary businesses.
- **Quality and integrity of personnel.** The integrity and competence of personnel is ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment.
- **Financial information.** There is a comprehensive budgeting and forecasting system. Each year the Board approves the annual budget. Key risk areas are identified and reported to the Board. Performance is monitored on a monthly basis against budget and the prior year and relevant actions identified.

  The Board receives and reviews monthly management accounts together with full year forecasts which are updated quarterly. Performance against forecast and budget is closely monitored.

  The Chief Executive prepares a monthly report for the Board on key developments, performance and issues in the businesses.
- **Audit Committee.** The Audit Committee monitors, through reports to it by the external auditors, the controls which are in force and any perceived gaps in the control environment. The Audit Committee also considers and determines relevant action in respect of any control issues raised by these reports.

Directors’ remuneration report

Remuneration Committee
The Remuneration Committee is chaired by J Gibbs. A Simon and K Ford are also members of the Committee. In determining the remuneration packages, the Remuneration Committee may seek the view of the other Board members. The Committee consults with the Chief Executive on matters relating to the performance and remuneration of other senior executives within the Group. The Chief Executive was present for part of the Remuneration Committee meetings, but not when his own remuneration was discussed.

Statement about basis of preparation
SDI has produced this report to comply with AIM rule 19.

Remuneration policy
The objective of the remuneration policy is to provide packages for executives that are designed to attract, retain and motivate people of high quality and experience.

The remuneration package for the Chief Executive and senior executives consists of an annual salary, short-term incentive scheme, pension arrangements, and health benefits.

The Committee believes that the base salary and benefits for executives should represent a fair return for employment but that the maximum total potential remuneration may only be achieved in circumstances where the executive has met challenging objectives that contribute to the Group’s overall profitability and performance. Performance-related elements, being the quarterly performance related pay, form a significant proportion of the remuneration of the executives aligning their interests with those of the shareholders and providing incentives for performance. A significant proportion of the executive’s total package is therefore required to be at risk.

Basic salary and benefits
The basic salaries of the Chief Executive and senior executives are reviewed annually and take effect from 1 July each year. The basic salary is determined by reference to relevant market data and the individual’s experience, responsibilities and performance. Benefits principally comprise pension arrangements, life insurance, permanent health insurance, private healthcare and in some cases a company car.

Directors’ remuneration and pension entitlements
The remuneration of the Directors is set out below:

	Salary/ fees £000	Taxable benefits £000	Pension £000	**2015 Total £000**	2014 Total £000
J Gibbs	18	-	-	**18**	18
A Simon	18	-	-	**18**	18
K Ford	25	-	-	**25**	25
M Creedon	103	1	5	**109**	107
	164	1	5	**170**	168

Directors’ beneficial interests
Directors’ beneficial interests in shares in the Company are set out below:

	2015 Number	2014 Number
A Simon	**8,348**	8,348
K Ford	**1,000,000**	375,000
M Creedon	**7,500**	2,000

None of the Directors had or has an interest in any material contract relating to the business of the Company or any of its subsidiary undertakings.

Directors’ beneficial interests in share options in the Company are set out below:

	2015 Number	2014 Number
M Creedon	**285,000**	285,000

Service contracts
The service contract with M Creedon dated 25 April 2010 includes a notice period of six months if given by either party.

The non-executive Directors’ service contracts include a notice period of three months if given by either party.

Remuneration policy for Non-Executive Directors
Fees for the Non-Executive Directors are determined by the Board as a whole. The Non-Executive Directors do not participate in the Company’s performance related pay scheme, and are not eligible for pension scheme membership.

Directors' responsibilities

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare separate parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the company and the Group 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 accounting estimates that are reasonable and prudent
- state whether applicable IFRSs and UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Ken Ford
Chairman
27 July 2015

Mike Creedon
Chief Executive Officer
27 July 2015

Report of the independent auditor

Independent Auditor's Report to the members of Scientific Digital Imaging PLC

We have audited the group financial statements of Scientific Digital Imaging plc for the year ended 30 April 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation of the Group Financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Report of the Directors for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

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:

- 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.

Other matter

We have reported separately on the parent company financial statements of Scientific Digital Imaging Plc for the year ended 30 April 2015.

David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
27 July 2015

Consolidated income statement
for the year ended 30 April 2015

	Note		2015 £000		2014 £000
Revenue	5		**6,955**		7,037
Cost of sales			**(2,837)**		(3,021)
Gross profit			**4,118**		4,016
Administrative expenses			**(4,059)**		(4,015)
Operating profit			**59**		1
Analysed as:					
Gross profit		**4,118**		4,016	
Other administrative expenses		**(3,725)**		(3,959)	
		393		57	
Reorganisation costs		**(200)**		(22)	
Share based payments		**(8)**		(6)	
Acquisition and fundraising costs		**(126)**		(28)	
Operating profit			**59**		1
Finance payable and similar charges	8	**(36)**		(39)	
Net financing expenses			**36**		39
Profit/(loss) before tax	6		**23**		(38)
Income tax	9		**21**		-
Profit/(loss) for the year			**44**		(38)
Earnings per share					
Basic earnings/(loss) per share	21		**0.15p**		(0.16)p
Diluted earnings/(loss) per share	21		**0.15p**		(0.16)p

All activities of the Group are classed as continuing.
The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 30 April 2015

	2015 £000	2014 £000
Profit/(loss) for the period	**44**	(38)
Other comprehensive income		
Exchange differences on translating foreign operations	**40**	(75)
Total comprehensive income/(loss) for the period	**84**	(113)

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated balance sheet
for the year ended 30 April 2015

	Note	2015 £000	2014 £000
Assets			
Intangible assets	10	**2,012**	2,085
Property, plant and equipment	11	**417**	419
Deferred tax asset	12	**105**	99
		2,534	2,603
Current assets			
Inventories	13	**982**	1,117
Trade and other receivables	14	**1,584**	1,286
Current tax assets		**5**	16
Cash and cash equivalents	15	**876**	539
		3,447	2,958
Total assets		**5,981**	5,561
Liabilities			
Non-current liabilities			
Borrowings	19	**156**	272
Trade and other payables	16	**101**	189
Deferred tax liability	12	**174**	169
		431	630
Current liabilities			
Trade and other payables	16	**1,452**	1,427
Provisions for warranties	18	**18**	17
Borrowings	19	**269**	199
Current tax payable		**-**	35
		1,739	1,678
Total liabilities		**2,170**	2,308
Net assets		**3,811**	3,253
Equity			
Share capital	20	**329**	278
Merger reserve		**3,030**	3,030
Share premium account		**1,478**	1,063
Own shares held by Employee Benefit Trust	22	**(85)**	(85)
Other reserves		**73**	65
Foreign exchange reserve		**(69)**	(109)
Retained earnings		**(945)**	(989)
Total equity		**3,811**	3,253

The financial statements were approved by the Board of Directors on 27 July 2015.

Ken Ford
Chairman

Mike Creedon
Chief Executive Officer

The accompanying accounting policies and notes form an integral part of these financial statements.
Company registration number: 6385396

Consolidated statement of cash flows
for the year ended 30 April 2015

	2015 £000	2014 £000
Operating activities		
Profit/(loss) for the year	**44**	(38)
Depreciation	**199**	227
Amortisation	**372**	368
Finance costs and income	**36**	39
Increase in provision	**1**	-
Taxation in the income statement	**(21)**	-
Employee share based payments	**8**	6
Operating cash flows before movement in working capital	**639**	602
Increase in inventories	**135**	(88)
Changes in trade and other receivables	**(298)**	199
Changes in trade and other payables	**(37)**	(190)
Cash generated from operations	**439**	523
Interest paid	**(26)**	(26)
Income taxes received/(paid)	**(4)**	7
Cash generated from operating activities	**409**	504
Investing activities		
Capital expenditure on fixed assets	**(255)**	(257)
Expenditure on development and other intangibles	**(299)**	(540)
Acquisition of subsidiaries, net of cash	**-**	(273)
Sale of property, plant and equipment	**65**	64
Net cash used in investing activities	**(489)**	(1,006)
Financing activities		
Finance leases repayments	**(33)**	(34)
Loan stock repayment	**-**	(204)
Proceeds from bank borrowing	**-**	300
Repayment of borrowings	**(30)**	(27)
Issues of shares	**466**	636
Net cash from financing	**403**	671
Net changes in cash and cash equivalents	**323**	169
Cash and cash equivalents, beginning of year	**539**	388
Foreign currency movements on cash balances	**14**	(18)
Cash and cash equivalents, end of year	**876**	539

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 30 April 2015

	Share capital £000	Merger reserve £000	Foreign exchange £000	Share premium £000	Own shares held by EBT £000	Other reserves £000	Retained earnings £000	Total £000
Balance at 30 April 2014	278	3,030	(109)	1,063	(85)	65	(989)	3,253
Shares issued	51	-	-	415	-	-	-	466
Share based payments	-	-	-	-	-	8	-	8
Transactions with owners	51	-	-	415	-	8	-	474
Profit for the year	-	-	-	-	-	-	44	44
Foreign exchange on consolidation of subsidiaries	-	-	40	-	-	-	-	40
Total comprehensive income for the period	-	-	40	-	-	-	44	84
Balance at 30 April 2015	**329**	**3,030**	**(69)**	**1,478**	**(85)**	**73**	**(945)**	**3,811**

	Share capital £000	Merger reserve £000	Foreign exchange £000	Share premium £000	Own shares held by EBT £000	Other reserves £000	Retained earnings £000	Total £000
Balance at 30 April 2013	194	2,606	(34)	335	(85)	100	(992)	2,124
Shares issued	84	424	-	728	-	-	-	1,236
Share based payments	-	-	-	-	-	6	-	6
Transfer of equity on consolidation of shares	-	-	-	-	-	(41)	41	-
Transactions with owners	84	424	-	728	-	(35)	41	1,242
Loss for the year	-	-	-	-	-	-	(38)	(38)
Foreign exchange on consolidation of subsidiaries	-	-	(75)	-	-	-	-	(75)
Total comprehensive income for the period	-	-	(75)	-	-	-	(38)	(113)
Balance at 30 April 2014	278	3,030	(109)	1,063	(85)	65	(989)	3,253

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the consolidated financial statements
for the year ended 30 April 2015

1 Reporting entity
Scientific Digital Imaging plc, a public limited company, is the Group's ultimate parent. It is registered and domiciled in England and Wales. The consolidated financial statements of the Group for the year ended 30 April 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The details of subsidiary undertakings are listed in Note 5 to the Company Financial Statements.

2 Basis of preparation
The consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as applied with the provisions of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial instruments at fair value.

The principal accounting policies of the Group are set out below.

The consolidated financial statements are presented in British pounds (£), which is also the functional currency of the ultimate parent company. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

The Directors have concluded that the going concern basis remains appropriate in the preparation of the company financial statements as explained in the note on going concern in the Strategic Report on page 8.

Accounting judgement and estimates
The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Judgements
Careful judgement by the management is applied when deciding whether the capitalisation requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new products are continuously monitored. The carrying value of development costs is detailed in note 10.

Estimates
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Intangibles – development costs
The Group is required to capitalise any development costs that meet the criteria as per IAS 38. (See Research and Development accounting policy, page 22) Significant assumptions are made in categorising development costs and in estimating the future profits expected from the development. Changes in these assumptions could affect the value of costs capitalised and hence the amount charged to the income statement.
The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical and commercial feasibility is demonstrable. The carrying value of development costs for this and prior year was £770k (2014: £802k).

Impairment of goodwill and other intangible assets
The impairment analysis of intangible assets is based upon future discounted cash flows and a number of assumptions have been made to estimate the future cash flows expected to arise from the cash generating unit as well as a suitable discount rate in order to calculate present value. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in discount rates could lead to impairment. For details of assumptions see note 10. The carrying amount of goodwill for this and prior year was £1,122k (2014: £1,122k). Other intangibles had a carrying amount of £120k (2014: £161k).

Deferred taxation
Deferred tax is provided for based on management's estimation of future profits and utilisation of tax losses. Changes in these assumptions could affect the value of deferred tax provided for and hence the amount charged to the income statement. The total carrying amount of the deferred tax asset at 30 April 2015 is £105k (2014: £99k) of which £105k (2014: £99k) relates to trading losses.

Contingent consideration

Contingent consideration on acquisitions is measured at fair value. Where future payments are dependent on performance, predicted revenue levels for three years from the date of acquisition based on financial forecasts have been used, when recognising the liability. The fair value at 30 April 2015 was £194k (2014: £265k).

3 Principal accounting policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2014. The adoption of new accounting standards and interpretations which came into effect has not had a material impact on the Group's financial statements in this period of initial application.

Basis of consolidation

Subsidiaries are entities controlled by the Group where control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra group balances and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method under the revised IFRS 3 Business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration agreement. Acquisition costs are expensed with administration expenses as incurred. The Group recognises identifiable assets acquired and liabilities assumed including contingent liabilities, in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Foreign currency

Transactions entered into by Group entities in a currency other than the functional currency of the company which incurred them are recorded at the rate of exchange at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

For the purpose of presenting the consolidated financial statements the assets and liabilities of the Group's overseas operations are translated using exchange rates prevailing on the balance sheet date.

Income and expense items of overseas operations are translated at exchange rates approximating to those ruling when the transactions took place. Exchange differences arising from this policy are recognised in other comprehensive income and accumulated in the foreign exchange reserve, such translation differences are reclassified from equity to profit or loss as a reclassification adjustment in the period in which the foreign operation is disposed of.

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation. Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of property, plant and equipment to write down the cost of the asset to its residual value. Residual values are reviewed annually.

The estimated useful lives are as follows:

Motor vehicles	3 years
Computer equipment	3 years
Tools and other equipment	3 years
Furniture, fixtures and fittings	5 years
Building and leasehold improvements	5 years

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss as a gain from a bargain purchase. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is also reviewed for impairment immediately following an acquisition. The impairment of goodwill is based upon value in use, determined using estimated future discounted cash flows.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the following conditions are met:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible assets and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or the intangible asset itself, or, if it is to be used internally, the asset will be used for generating such benefits;
- The expenditure attributable to the intangible asset during its development can be measured reliably.

The expenditure capitalised includes direct cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development is stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to profit and loss on a straight-line basis over the estimated useful lives of intangible assets. Amortisation is shown within administrative expenses in the income statement. The estimated useful lives of current development projects are between three and five years. Until completion of the project the assets are subject to impairment testing.

Other intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill providing the assets are separable or they arise from contractual or other legal rights and their fair value can be measured reliably. The fair value of intangible assets includes any tax benefit.

Intangible assets with a finite life are amortised over their useful economic lives. Amortisation is recognised in the income statement within administrative expenses on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Capitalised development costs	3 years
Other intangible assets	5-7 years

Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses for cash-generating units reduce first the carrying value of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indicators that an impairment loss previously recognised may no longer exist.

Impairment continued

Any impairment in respect of goodwill is not reversed. Impairment losses on assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the balance sheet date. Items are valued using the first in, first out method. When inventories are used, the carrying amount of these inventories is recognised as an expense in the period in which the related revenue is recognised. Provisions for write-down to net realisable value and losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Merger reserve" represents the difference between the parent company's cost of investment and the subsidiary's share capital and share premium where a group reorganisation qualifies as a common control transaction.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Foreign exchange reserve" represents the differences arising from translation of investments in overseas subsidiaries.
- "Own shares held by Employee Benefit Trust" represents shares held in trust for the benefit of employees.
- "Other reserve" represents equity-settled share-based employee remuneration until such share options are exercised. The equity component of convertible stock is also included. On conversion of the loan stock the equity component is transferred into the retained earnings reserve.
- "Retained earnings" represents retained profits.

Contributions to pension schemes

Defined Contributions Scheme

Obligations for contributions for defined contribution plans are recognised as an expense in the income statement when they are due.

Financial assets

The Group's financial assets comprise trade receivables, other receivables, cash and cash equivalents. Trade and other receivables are initially stated at fair value and thereafter at amortised cost using effective interest method. The carrying amounts of the Group's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The impairment loss is recognised in profit or loss.

An impairment loss in respect of trade and other receivables is reversed if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial liabilities comprise trade payables, other payables, other loans and bank borrowings. All financial liabilities are measured at fair value plus transaction costs on initial recognition and subsequently are measured at amortised cost. Contingent consideration is measured at fair value through profit and loss in the income statement.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that results in a residual interest in the assets of the Company after deducting all of its financial liabilities. Equity instruments do not include a contractual obligation to deliver cash or other financial assets to another entity.

Any instrument that does have the obligation to deliver cash or another financial asset to another entity is classified as a financial liability. Financial liabilities are presented under liabilities on the balance sheet.

Compound financial instruments

Compound financial instruments comprise both a liability and equity component. In accordance with International Accounting Standard (IAS) 32 Financial Instruments: Presentation such instruments are to be split into their debt and equity elements, with each element being accounted for separately.

At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument without the equity component. The residual is the difference between the net proceeds of issue and the liability component (at time of issue) and is accounted for as an equity instrument.

The interest expense on the liability component is calculated applying the effective interest rate for the liability component of the instrument and is recognised in the income statement. The difference between this amount and any repayments is added to the carrying amount of the financial liability. On conversion the equity component is transferred into the retained earnings reserve, and the liability component offset against the cash paid and shares issued.

Revenue recognition

Revenue is solely from the sale of goods and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the customers. Revenue is recognised when goods are despatched. Revenue from the sale of goods provided is measured at the fair value of the consideration received or receivable, net of returns, VAT and trade discounts.

Leased assets

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership otherwise leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful economic lives. Depreciation is over the shorter of the lease term and the useful life of the asset. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent consideration

Contingent consideration on acquisitions is measured at fair value. Future payments are dependent on revenue targets.

Taxation

Income tax expense comprises current and deferred tax.

The tax currently payable is based on the taxable profit for the year. Current tax is recognised in profit or loss, except that current tax relating to items recognised in other comprehensive income is recognised in other comprehensive income and current tax relating to items recognised directly in equity is recognised in equity. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group or it is probable that reversal will not occur in the foreseeable future. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised.

Taxation continued

The carrying value of deferred tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow part or all of the assets to be recovered.

Deferred tax is calculated using tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

The Group identifies reportable operating segments based on internal management reporting that is regularly reviewed by the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and the amounts can be estimated reliably.

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Employee benefit trust

The employee benefit trust is a separately administered discretionary trust for the benefit of employees, the assets of which comprise shares in the Company. The material assets, liabilities, income and costs of the ESOP or EBT are consolidated within these financial statements. Until such time as the Company's own shares held by the trust vest unconditionally in employees, the consideration paid for the shares is deducted in arriving at shareholders' funds.

Share based payments

Scientific Digital Imaging plc regularly issues share options to employees. The fair value of the award granted is recognised as an employee expense within the Income Statement with a corresponding increase in equity. The fair value is measured at the grant date and allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

When shares are issued for the purchase of intangibles, the fair value is measured at the grant date.

The fair value of the grants is measured using the Black-Scholes model taking into account the terms and conditions upon which the grants were made.

4 Standards and interpretations currently in issue but not yet effective

The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the consolidated financial statements.

- IFRS 9 Financial Instruments (effective 1 January 2018).
- Amendments to IFRS 7 Disclosures – offsetting financial assets and financial liabilities (effective 1 January 2015).
- Amendments to IFRS 11 (effective 1 January 2016).
- Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016).
- Annual improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016).

Based on the Group's current business model and accounting policies, management does not expect material impacts on the consolidated financial statements when the Standards and Interpretations listed above and others not listed become effective. The Group does not intend to apply any of these pronouncements early.

5 Segment analysis

Management consider that there is a single operating segment being the supply of digital imaging equipment, encompassing Synoptics three marketing brands: Syngene, Synbiosis, Syncroscopy and the Atik brand which is used within Synoptics brands and sold externally to the amateur astronomy market. Each of the brands have a number of products and whilst sales performance of each brand is monitored, resources are managed and strategic decisions made on the basis of the Group as a whole.

The geographical analysis of revenue by destination and non-current assets (excluding deferred tax) by location is set out below:

Revenue by destination of external customer	2015 £000	2014 £000
United Kingdom (country of domicile)	**834**	901
Europe	**2,121**	2,221
America	**2,290**	2,233
Rest of Asia	**1,413**	1,491
Rest of World	**297**	191
	6,955	7,037

Non-current assets by location (excluding deferred tax)	2015 £000	2014 £000
United Kingdom	**2,225**	2,293
Portugal	**60**	66
America	**144**	145
	2,429	2,504

6 Profit/(loss) before taxation

Profit/(loss) for the year has been arrived at after charging/(crediting):

	2015 £000	2014 £000
Amortisation other intangibles (Note 10)	**60**	61
Depreciation charge for year:		
- Property, plant and equipment	**164**	196
- Property, plant and equipment held under finance leases	**35**	31
(Profit) / loss on disposal of property, plant and equipment		-
Research and development costs:		
- Expensed as incurred	**338**	215
- Amortisation charge	**312**	307
Auditor's remuneration Group:		
- Audit of Group accounts	**11**	12
Fees paid to the auditor and its associates in respect of other services:		
- Audit of Company's subsidiaries	**35**	37
- Tax services	**6**	6
- Other services	**3**	2
Currency exchange (gains) and losses	**40**	(66)
Rental of land and buildings	**128**	122
Rental of other items	**18**	16

During the year the Board carried out a thorough review of the operations and structures of the Group which gave rise to £200k of costs incurred for the reorganisation (2014: £22k).

Additionally £126k of costs relating to work on potential acquisitions and fundraising (2014: £28k) were also incurred.

7 Directors' and employees' remuneration

Staff costs during the year were as follows:

	2015 £000	2014 £000
Wages and salaries (including restructuring costs and other termination benefits £200k (2014: £26k))	**2,020**	2,035
Social security costs	**180**	187
Share based payments	**8**	6
Other pension costs	**49**	61
	2,257	2,289

The share based payment charge is included in the income statement separately.

Staff costs relating to capitalised research and development are excluded from the table above.

The average number of employees of the Group during the year was:

	2015 Number	2014 Number
Administration	**19**	17
Production	**12**	12
Product development	**10**	10
Sales and marketing	**11**	12
	52	51

The remuneration of the Directors is set out below:

	Salary/ fees £000	Taxable benefits £000	Sub Total £000	Pension £000	2015 Total £000	2014 Total £000
J Gibbs	**18**	**-**	**18**	**-**	**18**	18
A Simon	**18**	**-**	**18**	**-**	**18**	18
K Ford	**25**	**-**	**25**	**-**	**25**	25
M Creedon	**103**	**1**	**104**	**5**	**109**	107
	164	**1**	**165**	**5**	**170**	168

The aggregate emoluments and amounts receivable under incentive schemes of the highest paid director were £104k (2014: £103k). Company pension contributions of £5k (2014: £4k) were made to a money purchase scheme. As at 30 April 2015 the highest paid Director held a total of 285,000 share options (2014: 285,000 share options). No share options were exercised by any Director during the year.

Key management for the Group is considered to be the Directors of the Group. Employer's National Insurance in respect of Directors was £19k in 2015 (2014: £19k), and share based payment charge was £2k in 2015 (2014: £2k).

Share based employee remuneration

Two employee share option schemes (an EMI scheme and an approved scheme) have been established, under which options may be granted to employees (including Directors) to subscribe for ordinary shares in the Company. A further share option scheme (unapproved scheme) has been established under which options may be granted to employees and directors to subscribe for ordinary shares in the Company. All schemes have been approved by shareholders in general meetings. The approved scheme has been approved by HM Revenue & Customs. The options can be exercised three years after the share options are granted. Upon vesting, each option allows the holder to purchase one ordinary share. The options lapse if share options remain unexercised after a period of 10 years after the date of grant or if the employee leaves.

Share based employee remuneration continued

A summary of options outstanding currently is as follows:

	2015		2014	
	Number of share options	**Weighted Average Exercise price of options**	Number of share options	Weighted Average Exercise price of options
Outstanding at the beginning of the year	**1,083,000**	**£0.183**	1,130,000	£0.185
Granted during the year	**-**	**-**	100,000	£0.205
Expired during the year	**(150,000)**	**£0.170**	(147,000)	£0.183
Outstanding at the end of the year	**933,000**	**£0.177**	1,083,000	£0.183
Exercisable at the end of the year	**355,000**	**£0.182**	304,000	£0.125

The share options at the end of the year have a weighted average remaining contractual life of 6.2 years (2014: 7.2 years). The range of exercise prices for the outstanding options is £0.125 to £0.3225.

Under the rules of the share option schemes, options are not normally exercisable until after 3 years from the date of the grant. Options may, however, be exercised early in certain circumstances such as, for example, option holders ceasing to be employed as a result of injury, disability, redundancy or retirement. Option holders in the unapproved scheme may exercise their options within 6 months of leaving the Board of Directors or Company for reasons other than for dismissal.

Options were valued using the Black-Scholes option pricing model.

Expected volatility was determined by calculating the historical volatility of the Company's share price over three years. The expected life used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The share based payment expense for the Group totalled £8k (2014: £6k).

Pensions

The Group operates a defined contributions pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the Group. Total contributions for the Group were £49k (2014: £65k).

	2015 £000	2014 £000
Current pension obligations included in liabilities	**9**	9

8 Finance costs

	2015 £000	2014 £000
Invoice discounting and bank loans	**27**	18
Finance leases and hire purchase contracts	**4**	7
Loan stock	**-**	11
Interest on other loans	**5**	3
	36	39

9 Taxation

	2015 £000	2014 £000
Corporation tax:		
Corporation tax adjustment	**-**	(7)
Prior year corporation tax adjustment	**(19)**	(18)
	(19)	(25)
Deferred tax expense	**(2)**	25
Income tax charge	**(21)**	-

Reconciliation of effective tax rate

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before tax	**23**	(38)
Profit/(loss) on ordinary activities multiplied by standard rate of		
Corporation tax in the UK of 20.92% (2014: 22.84%)	**5**	(9)
Effects of:		
Expenses not deductible for tax purposes	**19**	-
Additional deduction for R&D expenditure	**-**	(43)
Prior year tax adjustments	**(19)**	(18)
Transferred (from)/to tax losses	**(26)**	70
	(21)	-

The Group takes advantage of the enhanced tax deductions for Research and Development expenditure in the UK and expects to continue to be able to do so.

10 Intangible assets

The amounts recognised in the balance sheet relate to the following:

Cost	Other intangibles £000	Goodwill £000	Development costs £000	Total £000
At 1 May 2014	349	1,122	2,159	3,630
Additions	19	-	280	299
At 30 April 2015	**368**	**1,122**	**2,439**	**3,929**
Amortisation				
At 1 May 2014	188	-	1,357	1,545
Amortisation for the year	60	-	312	372
At 30 April 2015	**248**	**-**	**1,669**	**1,917**
Net book amount at 30 April 2015	**120**	**1,122**	**770**	**2,012**
Net book amount at 30 April 2014	161	1,122	802	2,085

Cost	Other intangibles £000	Goodwill £000	Development costs £000	Total £000
At 1 May 2013	216	170	1,687	2,073
Additions	133	952	472	1,557
At 30 April 2014	349	1,122	2,159	3,630
Amortisation				
At 1 May 2013	127	-	1,050	1,177
Amortisation for the year	61	-	307	368
At 30 April 2014	188	-	1,357	1,545
Net book amount at 30 April 2014	161	1,122	802	2,085
Net book amount at 30 April 2013	89	170	637	896

The goodwill relates to

(a) the acquisition of Artemis CCD Ltd and Perseu Comercio De Equipamento Para Informatica E Astronomia SA. These subsidiaries have been treated as a single cash generating unit (Atik) for the purpose of calculating the recoverable amount of goodwill which is based on its value in use. The impairment assessment for the cash generating unit was based on value-in-use calculations covering a detailed one year forecast, followed by an extrapolation of expected cash flows. These cash flows have been extrapolated over five years with a terminal growth rate of nil, and a discount rate of 17%. This period has been chosen because management's experience and knowledge of the business indicates that an equivalent business will have a useful life in excess of five years. Management's key assumption for this cash generating unit and resulting cash flows is to grow sales through increased market share which have been determined based upon past experience in this market. The Group is not currently aware of any probable changes that would lead to the carrying value exceeding the recoverable amount.

(b) the acquisition of Opus Instruments. The impairment assessment for the cash generating unit was based on value-in-use calculations covering a detailed three year forecast with an assumed terminal growth rate of nil and a discount rate of 17%. This period has been chosen because management's experience and knowledge of the business indicates that an equivalent business will have a useful life in excess of three years. Management's key assumption for this cash-generating unit is to grow sales through increased market share and reduced the cost base. Which have been determined using the future plans for the business, which include exploration of further applications for the infrared imaging system and help to enhance SDI's current product offering in this market. The Group is not currently aware of any probable changes that would lead to the carrying value exceeding the recoverable amount.

The amortisation charges are included within administrative expenses within the Income Statement.

11 Property, plant and equipment

	Motor vehicles £000	Computer equipment £000	Tools and other equipment £000	Furniture fixtures and fittings £000	Building and leasehold improvements £000	Total £000
Cost						
At 1 May 2014	82	187	993	109	124	1,495
Additions	-	10	237	4	11	262
Disposals	-	-	(130)	-	-	(130)
At 30 April 2015	**82**	**197**	**1,100**	**113**	**135**	**1,627**
Depreciation						
At 1 May 2014	66	156	682	103	69	1,076
Charge for year	7	23	161	6	2	199
Disposals	-	-	(65)	-	-	(65)
At 30 April 2015	**73**	**179**	**778**	**109**	**71**	**1,210**
Net book value						
At 30 April 2015	**9**	**18**	**322**	**4**	**64**	**417**
At 30 April 2014	16	31	311	6	55	419

	Motor vehicles £000	Computer equipment £000	Tools and other equipment £000	Furniture fixtures and fittings £000	Building and leasehold improvements £000	Total £000
Cost						
At 1 May 2013	77	177	1,127	108	127	1,616
Additions	25	10	256	1	3	295
Disposals	(20)	-	(390)	-	(6)	(416)
At 30 April 2014	82	187	993	109	124	1,495
Depreciation						
At 1 May 2013	77	128	820	103	73	1,201
Charge for year	9	28	188	-	2	227
Disposals	(20)	-	(326)	-	(6)	(352)
At 30 April 2014	66	156	682	103	69	1,076
Net book value						
At 30 April 2014	16	31	311	6	55	419
At 30 April 2013	-	49	307	5	54	415

The net book value of building and leasehold, motor vehicles, computer equipment, tools and equipment and furniture, fixtures and fittings includes an amount of £27k (2014: £69k) in respect of assets held under finance leases and hire purchase contracts. Of this amount £15k (2014: £22k) relates to building and leasehold improvements, £14k (2014: £21k) relates to motor vehicles, £7k (2014: £36k) relates to computer equipment and £6k (2014: £12k) relates to tools and equipment.

Depreciation on these assets is £7k (2014: £3k), £7k (2014: £1k), £15k (2014: £21k) and £6k (2014: £6k) respectively.

12 Deferred tax

	2015		2014	
	Deferred tax asset £000	**Deferred tax liability £000**	Deferred tax asset £000	Deferred tax liability £000
At 1 May	**99**	**(169)**	125	(164)
Deferred tax on capitalised R & D	**-**	**(17)**	-	(26)
Trading losses recognised	**6**	**-**		
Other temporary differences	**-**	**6**	(26)	14
Charge on intangibles recognised on acquisition	**-**	**6**	-	7
At 30 April	**105**	**(174)**	99	(169)

	2015		2014	
	Asset £000	**Liability £000**	Asset £000	Liability £000
Deferred tax on capitalised R & D	**-**	**(172)**	-	(155)
Other temporary differences	**-**	**-**	-	(6)
Deferred tax on acquisition intangibles	**-**	**(2)**	-	(8)
Trading losses recognised	**105**	**-**	99	-
	105	**(174)**	99	(169)

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £321k (2014: £537k) in respect of losses. Total losses (provided and unprovided) totalled £2.1m (2014: £3.1m).

13 Inventories

	2015 £000	2014 £000
Raw materials and consumables	**680**	628
Work in progress	**107**	72
Finished goods	**195**	417
	982	1,117

There is no material difference between the replacement cost of inventory and the amounts stated above.

In the year ended 30 April 2015 a total of £2,918k (2014: £2,944k) of inventories were consumed and charged to the Income Statement as an expense. In addition a total adjustment of £81k (2014: total adjustment £77k) was made resulting from the reduction of inventory provisions and write down of inventories.

14 Trade and other receivables

	2015 £000	2014 £000
Trade receivables	**1,461**	1,146
Other receivables	**48**	63
Prepayments	**75**	77
	1,584	1,286

All amounts are short-term. All of the receivables have been reviewed for indications of impairment. A provision is made against debtors that are considered not to be recoverable.

A reconciliation of the movement in the impairment provision for trade receivables is as follows:

	2015 £000	2014 £000
Impairment provision as at 1 May 2014	**17**	18
(Decrease)/ increase in provision	**12**	(1)
Provision as at 30 April 2015	**29**	17

In addition, some of the unimpaired trade receivables are past due at the reporting date. There are no indications that financial assets past due but not impaired are irrecoverable. The age of financial assets past due but not impaired is as follows:

	2015 £000	2014 £000
Less than 1 month	**347**	267
More than 1 month but not more than 3 months	**242**	168
More than 3 months but not more than 6 months	**120**	54
More than 6 months but not more than 1 year	**42**	37
More than 1 year	**9**	84
	760	610

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

15 Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	**876**	539

16 Trade and other payables

	2015 £000	2014 £000
Trade payables	**756**	717
Social security and other taxes	**111**	78
Other payables	**338**	405
Accruals and deferred income	**154**	151
Contingent consideration	**93**	76
	1,452	1,427

All amounts are short-term. The carrying values are considered to be a reasonable approximation of fair value.

Trade and other payables non-current		
Contingent consideration (note 28)	**101**	189

17 Lease liabilities

The Group's motor fleet, a number of computers and a leasehold property in Portugal are held under finance lease arrangements. The net carrying amount of the assets held under leases is £44k (2014: £70k).

30 April 2015	**Within 1 year £000**	**1 to 5 years £000**	**Over 5 years £000**	**Total £000**
Gross lease payments	**23**	**24**	**-**	**47**
Future interest	**(2)**	**(1)**	**-**	**(3)**
Net present values	**21**	**23**	**-**	**44**

30 April 2014	Within 1 year £000	1 to 5 years £000	Over 5 years £000	Total £000
Gross lease payments	34	41	-	75
Future interest	(3)	(2)	-	(5)
Net present values	31	39	-	70

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

18 Provision for warranties

	2015 £000	2014 £000
As at 1 May 2014	**17**	17
Provision utilised during the year	**(17)**	(17)
Provided for in year	**18**	17
Warranty provision as at 30 April 2015	**18**	17

Warranties of between one and three years are given with the sales of products. There are potential costs associated with the repair of goods under these warranties which could occur at any time over the next three years. The level of costs is uncertain. The warranty provision is based on the historical cost of warranty repairs over the last three years. It is expected that the majority of this expenditure will be incurred in the next financial year.

19 Borrowings

Borrowings are repayable as follows:

	2015 £000	2014 £000
Within one year		
Bank finance	**248**	168
Finance leases	**21**	31
	269	199
After one and within five years		
Bank finance	**83**	183
Other loan	**50**	50
Finance leases	**23**	39
	156	272
Total borrowings	**425**	471

19 Borrowings continued

Bank finance relates to amounts drawn down under the Group's invoice discounting facility (£148k (2014: £69k)) and bank loans (£183k (2014: £282k)), secured by a fixed and floating charge over the Group's undertakings. The bank loan, taken out to finance the acquisition of Opus Instruments, is repayable in monthly instalments and attracts interest at a rate of 6.1% over base rate.

During the year to 30 April 2014 loan stock of £368k was converted into 833,334 ordinary shares of 1 pence at a market price of 15 pence each and cash of £254k and (included outstanding loan interest of £11k), £50k of which was loaned back to the Group by a shareholder. This has been included under "Other loan", and is repayable between June 2014 and June 2018. Interest is charged at a rate of 9%.

20 Share capital

	2015 £000	2014 £000
Authorised		
1,000,000,000 (2014: 1,000,000,000) Ordinary shares of 1p each	**10,000**	10,000
Allotted, called up and fully paid		
32,912,308 (2014 : 27,777,308) Ordinary shares of 1p each	**329**	278

During the year 5,135,000 Ordinary shares of 1p each at a market price of 10p were issued raising £513k, £466k net (less share issue costs of £47k).

711,528 Ordinary shares (2014: 711,528) are held by the Synoptics Employee Benefit Trust and are reserved for providing employee benefits such as satisfying the exercise of share options.

21 Earnings per share

The calculation of the basic earnings per share is based on the profits attributable to the shareholders of Scientific Digital Imaging plc divided by the weighted average number of shares in issue during the year, excluding shares held by the Synoptics Employee Benefit Trust. All earnings per share calculations relate to continuing operations of the Group.

	Profit/(loss) attributable to shareholders £000	Weighted average number of shares	Basic earnings/ (loss) per share amount in pence
Year ended 30 April 2015	**44**	**28,902,787**	**0.15**
Year ended 30 April 2014	(38)	24,471,226	(0.16)

The calculation of the diluted earnings (loss) per share is based on the profits attributable to the shareholders of Scientific Digital Imaging plc divided by the weighted average number of shares in issue during the year, as adjusted for dilutive share options.

	Diluted (loss)/ earnings per share amount in pence
Year ended 30 April 2015	0.15
Year ended 30 April 2014	(0.16)

The reconciliation of average number of ordinary shares used for basic and diluted earnings is as below:

	2015	2014
Weighted average number of ordinary shares used for basic earnings per share	**28,902,787**	24,471,226
Weighted average number of ordinary shares under option	**-**	-
Weighted average number of ordinary shares used for diluted earnings per share	**28,902,787**	24,471,226

In 2014, as the company has made a loss, the dilutive earnings per share is based on the basic earnings per share.

22 Own shares held by employee benefit trust

Group	Investment in own shares £000
At 30 April 2014 and 30 April 2015	85

As at 30 April 2015 and 30 April 2014 the trust held 711,528 shares in Scientific Digital Imaging plc.

23 Operating leases commitments and contingent liabilities

Operating lease commitments

Future total minimum rental payments under non-cancellable operating leases are as follows;

	2015		2014	
Group	**Land and Buildings £000**	**Other £000**	Land and Buildings £000	Other £000
In one year or less	**97**	**16**	28	-
Between one and five years	**335**	**11**	207	39
Over five years	**1,049**	**-**	-	-
	1,481	**27**	235	39

Lease payments recognised as an expense during the year amount to £128k (2014: £122k).

Synoptics Limited have signed a rental contract this year for the office building rented from 28 September 2014 at Beacon House, Nuffield Road, Cambridge which expires in 28 September 2039.

Synoptics Inc. have a rental contract for the office building rented since January 2003 at Frederick, Maryland. This lease has been renewed until July 2018 and includes a 3% per year increase clause for the duration of the lease.

Artemis CCD Limited has a lease on two office buildings at Lodge Farm Barns, New Road, Bawburgh, Norwich. The lease commenced on 1 May 2015 and expires on 30 April 2020. Artemis CCD Limited shall be entitled to terminate the lease 20 months and 40 months from the commencement date serving six months prior written notice.

Contingent liabilities

Performance guarantees totalling £46k are held by the bank. These would become payable by the Group if, once the customer has placed an order, the Group fails to deliver goods to the customer.

24 Related party transactions and controlling related party

The Group's related parties comprise its Board of Directors and shareholders. Transactions with Directors are disclosed within the Directors' Remuneration Report and note 7.

A £50k loan was provided by Dana Investment BV, a shareholder, in the prior year on conversion of the loan stock. This balance is outstanding in full at the year end. £5k interest was paid in the year.

Payments totalling £121k were made to Lawrence and Karen Robinson, shareholders, relating to the consideration of Opus Instruments Limited. A balance of £194k (2014: £265k) is outstanding at the year end.

Unless otherwise stated, none of the transactions incorporated in these financial statements include any special terms or conditions. There is no ultimate controlling party.

25 Financial risk management objectives and policies

Financial instruments
The Group uses various financial instruments, including assets, liabilities, short term loans and loan stock. The main purpose of these financial instruments is to raise finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, primarily interest rate risk and currency risk.

Interest rate risk
The Group finances its operations through a mixture of retained profits, short term bank borrowings, loan stock and shareholders' equity. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities for the bank overdraft and invoice discounting facility.

Currency risk
A significant proportion of the Group's assets are denoted in Dollars and Euros but only a small amount are within an entity with a differing functional currency. An adverse movement in exchange rate could lead to a devaluation of these assets. As at 30 April 2015 an adverse movement in the dollar of 5% would result in a reduction in the Group's equity and profit or loss of £27k (2014: £36k). An adverse movement in the Euro of 5% would result in a reduction in the Group's equity and profit or loss of £6k (2014: £15k).

The carrying amount of the Group's Dollar- and Euro-denominated monetary assets with a differing functional currency at the reporting date is as follows:

	Assets	
	2015 £000	2014 £000
US Dollars	**21**	36
Euros	**7**	15

In addition an element of the Group's revenue and overhead transactions is completed in a foreign currency. Transaction exposure is hedged through the use of currency accounts.

Credit risk
The Group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £2,385k (2014: £1,725k). Risks associated with cash deposits are limited as the banks used are reputable with quality external credit ratings.

The principal credit risks lies with trade receivables. In order to manage credit risk credit limits are set for customers based on a combination of payment history and third party credit references. Details of overdue trade receivables are provided in Note 14.

25 Financial risk management objectives and policies continued

Liquidity risk

The Group monitors its liquidity by monitoring cash outflows and available credit facilities on a regular basis. The funding for long term liquidity is additionally secured by an adequate amount of external credit facilities.

As at 30 April 2015, the Group's financial liabilities have contractual maturities as summarised below:

	Current		Non-current	
	Within 6 months £000	Between 6 and 12 months £000	Between 1 and 5 years £000	Later than 5 years £000
Trade and other payables	**1,248**	**-**	**-**	**-**
Borrowings	**210**	**59**	**156**	**-**
Contingent consideration	**46**	**47**	**101**	**-**

	Current		Non-current	
As at 30 April 2014	Within 6 months £000	Between 6 and 12 months £000	Between 1 and 5 years £000	Later than 5 years £000
Trade and other payables	1,355	-	-	-
Borrowings	138	61	272	-
Contingent consideration	36	36	189	-

26 Summary of financial assets and liabilities by IAS 39 category

The carrying amounts of the Group's financial assets and liabilities as recognised at the balance sheet date of the years under review may also be categorised as follows:

Balance sheet headings	Loans and other receivables 2015 £000	Non financial assets 2015 £000	Financial liabilities at amortised cost 2015 £000	Financial liabilities measured at fair value through profit and loss 2015 £000	Non financial liabilities 2015 £000	Total balance sheet heading 2015 £000
Bank	**876**	**-**	**-**	**-**	**-**	**876**
Trade receivables	**1,461**	**-**	**-**	**-**	**-**	**1,461**
Other receivables	**-**	**128**	**-**	**-**	**-**	**128**
VAT and taxation	**-**	**-**	**-**	**-**	**(111)**	**(111)**
Bank finance - current	**-**	**-**	**(248)**	**-**	**-**	**(248)**
Bank finance- non current	**-**	**-**	**(83)**	**-**	**-**	**(83)**
Trade payables	**-**	**-**	**(756)**	**-**	**-**	**(756)**
Finance lease liability – current	**-**	**-**	**(21)**	**-**	**-**	**(21)**
Finance lease liability – non current	**-**	**-**	**(23)**	**-**	**-**	**(23)**
Other payables and accruals	**-**	**-**	**(492)**	**-**	**-**	**(492)**
Contingent consideration	**-**	**-**	**-**	**(194)**	**-**	**(194)**
Other loan	**-**	**-**	**(50)**	**-**	**-**	**(50)**
Total	**2,337**	**128**	**(1,673)**	**(194)**	**(111)**	**487**

26 Summary of financial assets and liabilities by IAS 39 category continued

Balance sheet headings	Loans and other receivables 2014 £000	Non financial assets 2014 £000	Financial liabilities at amortised cost 2014 £000	Financial liabilities measured at fair value through profit and loss 2014 £000	Non financial liabilities 2014 £000	Total balance sheet heading 2014 £000
Bank	539	-	-	-	-	539
Trade receivables	1,146	-	-	-	-	1,146
Other receivables	40	116	-	-	-	156
VAT and taxation	-	-	-	-	(113)	(113)
Bank finance - current	-	-	(168)	-	-	(168)
Bank finance- non current	-	-	(183)	-	-	(183)
Trade payables	-	-	(717)	-	-	(717)
Finance lease liability – current	-	-	(31)	-	-	(31)
Finance lease liability – non current	-	-	(39)	-	-	(39)
Other payables and accruals	-	-	(556)	-	-	(556)
Contingent consideration	-	-	-	(265)	-	(265)
Other loan	-	-	(50)	-	-	(50)
Total	1,725	116	(1,744)	(265)	(113)	(281)

The fair values of the financial assets and liabilities at 30 April 2015 and 30 April 2014 are not materially different from their book values.

27 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders; and
- be in a position to make acquisitions ('buy and build' strategy).

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet.

Although the Group is not constrained by any externally imposed capital requirements, its goal is to maximise its capital-to-overall-financing ratio by reducing borrowings.

	2015 £000	2014 £000
Capital		
Total equity	**3,811**	3,253
Less cash and cash equivalents	**(876)**	(539)
	2,935	2,714
Overall financing		
Total equity	**3,811**	3,253
Plus borrowings	**425**	471
	4,236	3,724
Capital-to-overall-financing ratio	**69.3%**	72.9%

28 Fair value measurement

	2015 £000	2014 £000
Contingent consideration re Opus acquisition – current	**93**	76
Contingent consideration re Opus acquisition – non current	**101**	189
	194	265

The fair value of contingent consideration was calculated based on management's assumptions regarding future performance. The consideration will be payable in quarterly instalments, based on a percentage of quarterly revenue over the next three years. The fair value measurement is classified as level 3 (inobservable inputs). It uses financial forecasts developed using the entity's own data, to predict revenue levels over the next 3 years.

The provision for consideration of £194,000 is based on Opus achieving the revenue targets in full, discounting using a discount rate of 6.1%. This represents an approximation of the present value of the Group's estimate of cash flow. The maximum amount payable is £229k should all the revenue targets be achieved and the minimum amount payable is £nil if no revenue is achieved.

Report of the independent auditor on the company financial statements

Independent Auditor's Report of the members of Scientfic Digital Imaging PLC

We have audited the parent company financial statements of Scientific Digital Imaging plc for the year ended 30 April 2015 which comprise the parent company balance sheet, and the related notes. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilites of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015
- 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 bt the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters

We have reported separately on the group financial statements of Scientific Digital Imaging plc for the year ended 30 April 2015.

David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
27 July 2015

Company balance sheet
for the year ended 30 April 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	5	**1,893**	1,893
Intangible assets	6	**38**	48
		1,931	1,941
Current assets			
Debtors	7	**9**	48
Cash at bank and in hand	8	**164**	13
		173	61
Creditors: amounts falling due within one year	9	**(475)**	(350)
Net current liabilities		**(302)**	(289)
Total assets less current liabilities		**1,629**	1,652
Creditors: amounts falling due after more than one year	10	**(366)**	(422)
Net assets		**1,263**	1,230
Capital and reserves			
Called up share capital	12	**329**	278
Share premium account	13	**1,478**	1,063
Other reserves	13	**73**	65
Merger relief reserve	13	**424**	424
Profit and loss account	13	**(1,041)**	(600)
Shareholders' funds		**1,263**	1,230

The financial statements were approved by the Board of Directors on 27 July 2015.

Ken Ford
Chairman
27 July 2015

Mike Creedon
Chief Executive Officer
27 July 2015

Company registration number: 6385396

Notes to the company financial statements
for the year ended 30 April 2015

1 Principal accounting policies

Basis of preparation
The separate financial statements of the Company have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards. The directors have concluded that the going concern basis remains appropriate in the preparation of the company financial statements as explained in the note on going concern in the Strategic Report on page 8.

The principal accounting policies of the Company are set out below and have remained unchanged from the previous year.

Investments
On the acquisition of Synoptics Limited, Scientific Digital Imaging plc qualified for merger relief under Companies Act 2006 s612, and has recorded the investment in Synoptics Limited at the nominal value of the shares issued, less provision for impairment. The shares issued on acquisition of Opus Instruments Limited also qualified for merger relief under Companies Act 2006 s612 and so the premium has been classified as a merger relief reserve. All other investments are recorded at cost, less provision for impairment.

Share options
Scientific Digital Imaging plc issues share options to employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense which is written off to the profit and loss account over the vesting period of the option. The amount to be expensed is determined by reference to the fair value of the options at the grant date adjusted for the estimate of the number expected to vest. All current share options have been issued to staff at Synoptics Limited, Scientific Digital Imaging plc and Synoptics Inc. The expense relating to these options is recognised in the relevant subsidiary profit and loss account. The carrying value of the investment in those subsidiaries is increased by an amount equal to the value of the share based payment charge attributable to the option holders in the respective subsidiaries.

Financial instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that results in a residual interest in the assets of the Company after deducting all of its financial liabilities. Equity instruments do not include a contractual obligation to deliver cash or other financial asset to another entity.

Any instrument that does have the obligation to deliver cash or another financial asset to another entity is classified as a financial liability. Financial liabilities are presented under creditors on the balance sheet.

Compound financial instruments
Compound financial instruments comprise both a liability and equity component. In accordance with Financial Reporting Standard (FRS) 25 Financial Instruments: Disclosure and Presentation such instruments are to be split into their debt and equity elements, with each element being accounted for separately. This shows the different future obligations arising from each element of the instrument.

At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument without the equity component. The residual is the difference between the net proceeds of issue and the liability component (at time of issue) and is accounted for as an equity instrument.

The interest expense on the liability component is calculated applying the effective interest rate for the liability component of the instrument. The difference between this amount and any repayments is added to the carrying amount of the financial liability. On conversion the equity component is transferred into the retained earnings reserve, and the liability component offset against the cash paid and shares issued.

Related party transactions
In accordance with Financial Reporting Standard Number 8: Related Party Disclosures, the Company is exempt from disclosing transactions with wholly owned entities that are part of the Group headed by Scientific Digital Imaging plc as it is a parent company publishing group financial statements.

Pension
The pension costs charged against profits represent the amount of the contributions payable to the defined contribution scheme in respect of the accounting period.

Notes to the company financial statements continued
for the year ended 30 April 2015

2 Employee remuneration
Remuneration in respect of Directors paid by the Company was as follows:

	2015 £000	2014 £000
Emoluments	**165**	164
Pension	**5**	4
Amounts payable to third parties in respect of Directors' services	**-**	-
	170	168

During the period no Directors exercised any share options held over ordinary shares of Scientific Digital Imaging plc.

Details of Directors' interests in the shares and options of the Company are provided in the Remuneration Committee report on page 13. The highest paid Director's aggregate entitlements were £104k (2014: £103k). Company pension contributions of £5k (2014: £4k) were made to a money purchase scheme. As at 30 April 2015 the highest paid Director held a total of 285,000 share options (2014: 285,000 share options).

3 Auditor's remuneration
Auditor's remuneration attributable to the Company is as follows:

	2015 £000	2014 £000
Tax advice	**1**	1
Statutory audit	**8**	8

4 Results for the year
The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's own loss for the financial period was £441k (2014: loss of £115k).

5 Investments

Investments in Group undertakings	£000
Cost and net book amount as at 1 May 2014 and 30 April 2015	**1,893**

Subsidiary undertakings	Country of incorporation	Holdings	Proportion of voting rights	Nature of business
Synoptics Limited	England and Wales	Ordinary shares	100%	Manufacturer
Artemis CCD Limited	England and Wales	Ordinary shares	100%	Design
Perseu Comercio De Equipamento Para Informatica E Astronomia SA	Portugal	Ordinary shares	100%	Manufacturer
Opus Instruments Limited	England and Wales	Ordinary shares	100%	Design and Manufacturer
The following companies are all held by Synoptics Limited:				
Image Techniques of Cambridge Limited	England and Wales	Ordinary shares	100%	Dormant
Myriad Solutions Limited	England and Wales	Ordinary shares	100%	Dormant
Synoptics Inc	USA	Ordinary shares	100%	Distributor

Each of the above investments has been included in the consolidated financial statements.

6 Intangible assets

Software licence	£000
Cost	
At 1 May 2014	50
Additions	-
At 30 April 2015	**50**
Amortisation	
At 1 May 2014	2
Charge for year	10
At 30 April 2015	**12**
Net book value	
At 30 April 2015	**38**
At 30 April 2014	48

7 Debtors

	2015 £000	2014 £000
Amounts due by other Group companies	**9**	37
Other debtors	**-**	11
	9	48

All debtors fall due within one year of the balance sheet date.

8 Cash at bank and in hand

	2015 £000	2014 £000
Cash at bank and in hand	**164**	13

9 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	**2**	40
Amounts owed to other Group companies	**260**	66
Bank loan	**100**	99
Accruals	**19**	19
Other creditors	**93**	126
Social security and other taxes	**1**	-
	475	350

10 Creditors: amounts falling due after one year

	2015 £000	2014 £000
Amounts owed to other Group companies	**132**	-
Bank loan	**83**	183
Other loan	**50**	50
Other creditors	**101**	189
	366	422

11 Borrowings

	2015 £000	2014 £000
Amounts repayable:		
In one year or less		
Bank loan	**100**	99
In more than one year but not more than two years		
Bank loan	**83**	100
Other loan	**50**	50
In more than two years but not more than five years		
Bank loan	**-**	83
	233	332

The bank loan is secured by a fixed and floating charge over the Group's undertakings. The bank loan taken out to finance the acquisition of Opus Instruments is repayable in monthly instalments and attract interest at a rate of 5.6% over base rate.

During the year to 30 April 2014 loan stock of £368k was converted into 833,334 ordinary shares of 15 pence each and cash of £254k (and included outstanding loan interest of £11k), £50k of which was loaned back to the Group. This has been included under "Other loan".

12 Called up share capital

	2015 £000	2014 £000
Authorised		
1,000,000,000 ordinary shares of 1p each	**10,000**	10,000
Allotted, called up and fully paid		
32,912,308 (2014: 27,777,308) Ordinary shares of 1p each	**329**	278

During the year 5,135,000 Ordinary shares of 1p each at a market price of 10p were issued raising £513k gross, £466k net (less share issue costs of £47k).

711,528 Ordinary shares are held by the Synoptics Employee Benefit Trust and are reserved for issue under options.

Share options

Two employee share option schemes (an EMI scheme and an approved scheme) have been established, under which options may be granted to employees (including Directors) to subscribe for Ordinary shares in the Company. A further share option scheme (unapproved scheme) has been established under which options may be granted to employees and Directors to subscribe for Ordinary shares in the Company. All schemes have been approved by shareholders in general meetings. The approved scheme has been approved by HM Revenue & Customs.

A summary of options outstanding currently is provided in Note 7 to the consolidated financial statements.

13 Reserves

	Share capital £000	Share premium £000	Merger relief reserve £000	Other reserves £000	Profit and loss account £000	Total £000
Balance at 1 May 2014	278	1,063	424	65	(600)	1,230
Loss for the year	-	-	-	-	(441)	(441)
Share based payment	-	-	-	8	-	8
Shares issued	51	415	-	-	-	466
Balance at 30 April 2015	**329**	**1,478**	**424**	**73**	**(1,041)**	**1,263**

Company advisors

Company registration number:	6385396
Registered office:	Beacon House Nuffield Road Cambridge CB4 1TF
Directors:	E K Ford (Chairman) J Gibbs (Deputy Chairman) Dr A J B Simon (Non Executive Director) M Creedon (Chief Executive Officer)
Company Secretary:	M Creedon
Bankers:	National Westminster Bank Plc 35-37 Fitzroy Street Cambridge CB1 1EU
Solicitors:	Mills & Reeve Botanic House 100 Hills Road Cambridge CB2 1PH
Auditor:	Grant Thornton UK LLP Registered Auditor Chartered Accountants 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Nominated Advisor and Broker:	finnCap Limited 60 New Broad Street London EC2M 1JJ
Registrar:	Share Registrars Limited Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL

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