



Interim results to 31 March 2014

Successful launch of Assessa® - significant progress in clinical trials and experimental medicine business

IXICO plc (Ticker: IXI) ("IXICO" or the "Company"), the brain health company, today announces its unaudited interim results for the six months ended 31 March 2014.

Highlights

- Successful launch of Assessa®, our CE-marked digital healthcare platform for decision-support in dementia diagnosis
 - IXICO and partner InHealth providing selective access to Assessa® in the UK and Eire
 - Assessa® now available in the private healthcare sector through Re:Cognition Health Limited
 - Krish Ramakrisnan appointed as Vice President, Product Marketing with specific responsibility for the commercialisation of Assessa®
 - Further investment in the development and commercialisation of Assessa®
- Expansion in clinical trials and experimental medicine business
 - Contracts signed with four new customers; IXICO has now been awarded contracts by nine of the top fifteen global pharmaceutical companies
 - International commercial and operational alliance signed with VirtualScopics of the US to deliver world-class services to pharmaceutical, biotech and academic customers and collaborators around the globe
- Continuing business development in China
 - Memorandum of Understanding signed with Beijing Union Medical and Pharmaceutical General Corporation, the innovation arm of the Chinese Academy of Medical Sciences during the UK Prime Minister's trade mission to China
 - IXICO subsequently awarded its first Phase III clinical trial with a local Chinese pharmaceutical company
 - Asia developing as a key strategic priority for IXICO
- Financial performance on budget and in-line with expectations
 - Revenues of £1.2 million and operating loss before non-recurring expenses of £0.6 million for the period
 - Total cash and money market investments of £4.0 million as at 31 March 2014

Recent Developments

- Awarded a development contract by The Small Business Research Initiative for Healthcare for the development of a digital health application designed to support dementia sufferers post-diagnosis
- Awarded two separate clinical trials with top fifteen pharmaceutical companies in Huntington's disease

Derek Hill, IXICO's CEO, said:

'I am pleased to report a busy and highly significant period for IXICO, which included three landmark events in the Company's history. In October 2013, we successfully completed our reverse takeover of Phytopharm plc which provided the Company with additional funds with which to invest in developing and commercialising its technology. This was followed by the launch of our CE marked Assessa® diagnostic platform with a market-leading partner in December 2013. In March 2014, we announced our international commercial and operational alliance with VirtualScopics. Meanwhile, we continued to make excellent progress on our wider vision to translate our digital healthcare technology into a platform to support diagnosis of dementia.'

The commercialisation of Assessa® remains a top strategic priority and we are pleased to be signing up our first paying customers and will continue to invest in its development and use with key opinion leaders globally. We are continuing to explore partnerships with other businesses that are complementary to IXICO's current activity.'

About IXICO

IXICO, the brain health company, was founded in 2004 with a mission to translate image acquisition, management and analysis technology and know-how, which the founders had developed together, into commercial products targeting the expanding area of imaging to inform decision-making during drug development. This has resulted in commercially successful products being launched in the clinical trials (Phase 0-III) and experimental medicine markets and more recently launched into the wider clinical diagnostic market. Since incorporation, IXICO has been awarded contracts by nine of the top fifteen global pharmaceutical companies as well as leading biotechnology companies. In October 2013, IXICO plc was admitted to trading on AIM. More information is available on www.ixico.com

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Chairman and Chief Executive's Statement

The six months ended 31 March 2014 represented a highly significant period for IXICO as it included three landmark events in the Company's history as well as delivering a financial performance that was on budget and in-line with expectations. In October 2013, we successfully completed our reverse takeover of Phytopharm plc, which was followed by the launch of our CE marked Assessa® digital healthcare platform to support dementia diagnosis with a market-leading partner in December 2013. In March 2014, we announced our international commercial and operational alliance with VirtualScopics, Inc. (NASDAQ: VSCP) ("VirtualScopics") of the US. Meanwhile, we continued to make excellent progress on our wider vision to translate our digital healthcare technology into a platform to support diagnosis of dementia.

Dementia Diagnostics

Launch of Assessa® underway; targeting the significant global market for dementia diagnosis and digital health management

In December 2013 we launched Assessa®, our CE marked digital healthcare platform for decision-support in dementia diagnosis, and signed heads of terms to widen IXICO's collaboration with InHealth Limited, a major supplier of diagnostic and healthcare services to the NHS and private health providers. Assessa® is a digital healthcare platform to support the diagnosis of dementia. It is designed to improve the quality of the information available to healthcare professionals diagnosing dementia thereby enabling patients to receive the right treatment and support they need sooner. Structural brain scans (such as MRI scans) are regularly used in the diagnosis of dementia and are recommended by the National Institute for Clinical Excellence (NICE) in the UK and many professional bodies around the world. Assessa® provides clinically actionable information from brain scans by making precise measurements of the brain and comparing it to a reference database of normal elderly people and dementia patients of the same age.

In partnership with InHealth, IXICO is now starting to provide selective access to Assessa® in the UK and Eire. This service incorporates a detailed assessment of the patient's cognition together with an in-depth analysis of a brain MRI scan, patient and GP liaison and support services post diagnosis. InHealth supplies patient bookings and administration services and the clinical scanning capabilities associated with either MRI or PET CT scanning, which it already provides in the UK and Eire. IXICO supplies Assessa® and the appropriate cognitive assessment tools. The collaboration's target is to establish effective protocols for diagnostic services and service provision in a personalised medicine context. InHealth will be demonstrating Assessa® at the UKRC annual congress (the leading and largest diagnostic imaging event in the UK) to be held in Manchester in June 2014.

Separately, Assessa® is now available in the private healthcare sector through Re:Cognition Health Limited and together we have provided the service to the first paying customers in the private sector. We are in discussions with other leading private healthcare providers to extend similar services to their clients. Progress on our clinical pilot study of Assessa® in a community setting (in collaboration with InHealth, Cambridge Cognition plc, the NHS in Sussex, Brighton and Sussex Medical School, Imperial College London and the Alzheimer's Society) has been slower than planned following a change of clinical leadership at the academic centre conducting the trial; however, we expect the first patients to be assessed using the combined technologies later this year.

In March 2014 we appointed Krish Ramakrishnan as Vice President, Product Marketing with specific responsibility for leading the expanding team commercialising Assessa®. Krish is a seasoned veteran from the medical technology industry having previously worked for BTG plc and GE Healthcare in Europe and Asia.

The Assessa® team is working with initial users in the UK, Europe and Asia and has identified thought leaders and potential users in key markets across Europe. Our focus for the remainder of 2014 is to expand the user base in Germany, France, Spain, UK, and Scandinavia and to seed activities in Singapore and South Korea. We have appointed a Director of Translational Science, based in Germany, to provide clinical support and build scientific partnerships with our customers and leading academics across the globe and redeployed experienced staff within these commercialisation initiatives. IXICO is participating in various major dementia scientific events across Europe in 2014 that will provide opportunities to engage further with customers. We are developing a strategy for US FDA medical device clearance and for approvals in various Asian countries.

Clinical trials and experimental medicine

Our core clinical trials business continues to perform in-line with expectations and budget, generating ongoing revenues from our key existing customers. We have also signed contracts with four new customers during the period, two of which are Asian companies supporting our planned expansion in Asia. IXICO has now been awarded contracts by nine of the top fifteen global pharmaceutical companies, which we believe positions us strongly in our core clinical trials and experimental medicine markets.

Last year we set ourselves three key business development diversification objectives: to collect and analyse data from a broader range of imaging methodologies by expanding our work in functional imaging methodologies such as PET and advanced MRI; to diversify our customer base internationally; and to win more business outside of our historical Alzheimer's disease specialisation. We are pleased to report successes in each of these areas, having been awarded contracts involving PET imaging services in China and Europe and increasing levels of advanced MRI work.

Huntington's disease developing into an important indication specialty for IXICO

In addition to contract wins in Alzheimer's disease, we have recently also been awarded contracts for two separate clinical trials in Huntington's disease ("HD") with top 15 pharmaceutical companies as part of a deliberate strategy to broaden our areas of disease focus including into areas where Phytopharm plc had expertise. These contracts complement a third clinical study already underway in HD which is developing into an important indication specialty for IXICO. HD is a relatively rare genetic

neurodegenerative disorder that affects the patient's normal movement, cognition and behaviour. HD is more common in people of Western European descent than in those of Asian or African ancestry and the disease is relatively rare, affecting approximately 5-7 people per 100,000 in Western countries. There are currently no effective marketed treatments for HD. Despite its low incidence, interest in developing therapeutics to treat the disease within the pharmaceutical industry is significant with a large number of pharmaceutical and biotechnology companies interested in the indication.

IXICO has supported important research in the HD indication area since 2007. The Company has worked with key opinion leaders around the world and charitable organisations to characterise biomarkers that could be used in clinical trials to evaluate the effectiveness of novel treatments in development. A battery of outcome measures is emerging from these published studies and other academic work.

These two new clinical trials are starting imminently and are expected to last at least two years. They will involve IXICO working with expert imaging centres across North America and Europe. IXICO's technology will be used for handling and analysing imaging data and the projects will benefit from IXICO's expertise in magnetic resonance imaging methods such as structural MRI, functional MRI, diffusion tensor imaging ("DTI") and magnetic resonance spectroscopy ("MRS").

Alliance with VirtualScopics provides clinical trials customers with global operational capabilities and a full range of therapeutic area and modality expertise

In March 2014, we announced an international commercial and operational alliance with VirtualScopics, Inc. (NASDAQ: VSCP) a leading provider of quantitative medical imaging based in Rochester, New York. This should enhance the ability of both companies to deliver world-class services to pharmaceutical, biotech and academic customers and collaborators around the globe. By combining our resources, we are enhancing our ability to deliver on the largest trials world-wide, across a more diverse range of therapeutic areas.

We are now integrating and deploying TrialTracker™, our proprietary integrated web-service platform, into VirtualScopics's client service offering and are making good progress in integrating other operations and quality systems. We were pleased that merits of the alliance have already been recognised in the marketplace with our being recently approved as a joint supplier to one of the top fifteen global pharmaceutical companies and being invited to submit joint bids to other top fifteen pharmaceutical companies. We will update shareholders on progress with the alliance as it develops.

Grant funding supports continuing R&D

As a UK-based SME, IXICO has many opportunities to apply for research and development grants, either on our own, or in collaboration with other businesses and academic institutions. IXICO has a high success rate in being awarded R&D grants such that grant funding supports a significant proportion of the company's research and development activities effectively providing a government subsidy for the development of our future products and services.

In December 2013, IXICO was awarded a Stratified Medicine Grant by the Technology Strategy Board. For this project, a consortium led by IXICO, which includes Imperial College London as a research partner, and Medimmune Limited (the global biologics research and development arm of AstraZeneca) and a second leading global pharmaceutical company as commercial partners, will apply a machine learning framework to a unique combination of reference data to develop a digital dementia prognosis tool.

During the half year, IXICO has also progressed four grant-funded programmes covering dementia and psychosis working alongside prestigious academic, clinical and commercial partners. We have now secured total grant funding in the last 24 months of approximately £2.3 million of which approximately £1.6 million remains to be drawn down.

SBRI award

In April 2014, IXICO was awarded a development contract by SBRI Healthcare (The Small Business Research Initiative for Healthcare) to cover Phase 1 funding for the development of a digital health application designed to support dementia sufferers post-diagnosis. This development project is building on Assessa® and aims to harness web and mobile technologies to support and assist those living with dementia as well as their families, carers and healthcare professionals. The goal is to prolong and enhance independent living by facilitating improved self-care with full interaction with the relevant healthcare professionals and other support agencies. Social media concepts are being adapted specifically for this client group to build a personal digital health management tool whereby diagnosis is carefully linked to continuing care-planning and support. This should smooth the transition into other care settings by travelling with the patient and relatives throughout the course of the illness. The project is being led by IXICO in partnership with the Health Innovation Network South London. (www.hin-southlondon.org)

Asia: MOU enhances IXICO's credibility to deliver research services and develop technology to support dementia diagnosis in the growing Chinese market

IXICO was part of the Prime Minister's December 2013 trade mission to China, and on that visit signed a Memorandum of Understanding with Beijing Union Medical and Pharmaceutical General Corporation ("UMP"), the innovation arm of the Chinese Academy of Medical Sciences. IXICO and UMP are working together to support dementia diagnosis, advance public understanding of dementia and evaluate new treatments for dementia. Subsequently, IXICO was awarded its first commercial contract to provide imaging services to a local Chinese pharmaceutical company undertaking a Phase III clinical trial in Alzheimer's disease. IXICO was also invited to join two further trade missions to China, led by Ken Clarke in January 2014 and Jeremy Hunt, Secretary of State for Health, in April 2014. Asia is a key strategic priority for IXICO in all parts of the business given the increasing focus on dementia and the opportunities for digital health solutions.

It is estimated that in China a significant majority of the dementia population remain undiagnosed and currently an estimated 6-10 million people have dementia (c. 20-25% of the world's dementia cases), of which c. 60% have Alzheimer's disease. Furthermore, the total annual healthcare costs for dementia are estimated at £5.5 billion and the annual loss to the economy is around £9 billion. The incidence rate of dementia is estimated to double over the next 20 years as the Chinese population ages and by 2040, the population with dementia in China is expected to equal the total in all high income countries.

Outlook

We are pleased to be reporting important strategic progress underpinned by financial performance on budget and in-line with expectations and remain confident of meeting market expectations for the full year. The alliance with VirtualScopics should help to support our clinical trials business as it responds to competitive pressures and changes in the global pharmaceutical marketplace. Our experimental medicine business continues to benefit from valuable grant funding and the support of prestigious academic and pharmaceutical partners. The commercialisation of Assessa® remains a top strategic priority and we are pleased to be signing up our first paying customers and developing its use with key opinion leaders globally. We continue to explore opportunities to widen its product and service offerings in all of its markets through product licensing, collaborations and other corporate activity as appropriate.

We would like to thank all our customers, colleagues, shareholders and advisers for their hard work and support over the period.

Dr Andy Richards

Chairman

Professor Derek Hill

Chief Executive

Financial Review

With effect from 14 October 2013 the Company, then named Phytopharm plc, became the legal parent of IXICO Technologies Limited. Due to the relative values of the companies, the former IXICO Technologies Limited shareholders became the majority shareholders with approximately 55% of the share capital of the enlarged Group. Although the legal form of that transaction is an acquisition of IXICO Technologies Limited by IXICO plc, the substance is the reverse of this. Accordingly, these interim financial statements have been prepared using reverse acquisition accounting under the specific requirements of the Companies Act 2006 and IFRS3 "Business Combinations". The key features of this basis of consolidation are:

- the pre-combination results of the new group are those of IXICO Technologies Limited;
- the reserves of the Group are based on the pre-combination reserves of IXICO Technologies Limited;
- the IXICO plc Group is brought into the consolidation from the date of its reverse acquisition at fair values at that date; and
- the difference between the fair value of the consideration effectively given by IXICO Technologies Limited to acquire the IXICO plc Group and the aggregate of the fair values of the identifiable net assets of the IXICO plc Group has been treated as the cost of acquiring a public listing, and has been treated as an administrative expense.

The financial performance for the six month period to 31 March 2014 reflects the results of IXICO Technologies Limited for the period, together with the results of the IXICO plc Group from the acquisition date of 14 October 2013. As highlighted in the Admission Document, and referred to in the 30 September 2013 Annual Report, whilst on budget and in-line with expectations, revenues in the six month period of £1,175,000 are lower than the comparative period due to the inclusion of additional revenues in the comparative period from the accelerated completion of a terminated contract. Current year to date revenues are in line with management's expectations and management remains confident of meeting market expectations for the full year.

Other operating income of £270,000 reflects the increased number of grant projects in which the Group are participating. Additional grant projects have been commenced since the period end.

Research and development expenses of £472,000 represent a 39% increase on the comparative period reflecting the increased resources and expenditure associated with new product development especially Assessa®.

Exceptional costs of £938,000 represents the effective cost of acquiring the public listing, calculated by reference to the excess consideration effectively paid for IXICO Technologies Limited over the aggregate fair values of the assets of the IXICO plc Group, together with other non-recurring transaction costs incurred by IXICO Technologies Limited and legacy costs associated with the Phytopharm businesses, principally relating to the Huntingdon premises which are being vacated.

Total administrative expenses are increased at £2,045,000 for the six month period reflecting the non-recurring exceptional costs referred to above, together with additional recruitment, marketing and regulatory costs related to new product developments and also the additional costs associated with being a public company.

During the six months ended 31 March 2014 there was a net cash outflow from operations of £1,732,000.

As at 31 March 2014, the Company had cash and money market investments of £4.0 million and total equity of £4.4 million.

Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2014 - unaudited

		Six months ended 31 March 2014	Six months ended 31 March 2013	Year ended 31 May 2013
	Notes	£000	£000	£000
Revenue		1,175	1,927	3,646
Cost of sales		(456)	(717)	(1,304)
Gross profit		719	1,210	2,342
Other operating income		270	23	70
Operating expenses				
Research & development expenses		(472)	(341)	(631)
Administrative expenses		(1,107)	(586)	(1,402)
Non-recurring administrative expenses	2	(938)	-	-
Total administrative expenses		(2,045)	(586)	(1,402)
Operating (loss)/profit		(1,528)	306	379
Finance income		11	-	-
Finance (expense)/credit		-	48	97
(Loss)/profit on ordinary activities before taxation		(1,517)	354	476
Taxation	4	30	22	64
(Loss)/profit and total comprehensive (expense)/income attributable to equity holders for the period		(1,487)	376	540
(Loss)/earnings per ordinary share (pence):	5			
Basic		(10.5)	7.2	10.4
Fully diluted		(10.5)	4.4	7.7

Consolidated Statement of Changes in Equity
for the six months ended 31 March 2014 – unaudited

	Ordinary shares £000	Share premium £000	Merger relief £000	Reverse acquisition reserve £000	Accumulated losses £000	Total £000
Balance at 1 June 2012	2,608	76,791	-	(75,935)	(4,389)	(925)
Comprehensive income						
Profit attributable to owners of the parent	-	-	-	-	540	540
Transactions with owners						
Credit in respect of share options	-	-	-	-	106	106
Balance at 31 May 2013 and 1 June 2013	2,608	76,791	-	(75,935)	(3,743)	(279)
Comprehensive income						
Losses attributable to owners of the parent						
Four months to 30 September 2013	-	-	-	-	(211)	(211)
Six months to 31 March 2014	-	-	-	-	(1,487)	(1,487)
	-	-	-	-	(1,698)	(1,698)
Transactions with owners						
Conversion of loan note	988	-	-	234	-	1,222
Exercise of share options	411	-	-	(208)	-	203
Cost of acquisition	3,469	-	641	733	-	4,843
Credit in respect of share options						
Four months to 30 September 2013	-	-	-	-	22	22
Six months to 31 March 2014	-	-	-	-	80	80
	-	-	-	-	102	102
Total transactions with owners	4,868	-	641	759	102	6,370
Balance at 31 March 2014	7,476	76,791	641	(75,176)	(5,339)	4,393

Consolidated Statement of Financial Position

as at 31 March 2014 - unaudited

	As at 31 March 2014	As at 31 March 2013	As at 31 May 2013
	£000	£000	£000
Assets			
Property, plant and equipment	57	48	46
Intangible assets	585	-	-
Non-current assets	642	48	46
Trade and other receivables	760	913	927
Current tax receivable	427	289	297
Money market investments	104	-	-
Cash and cash equivalents	3,893	842	859
Current assets	5,184	2,044	2,083
Total assets	5,826	2,092	2,129
Liabilities and equity			
Trade and other payables	1,316	1,158	1,186
Convertible loan notes	-	1,056	1,222
Current liabilities	1,316	2,214	2,408
Deferred tax liabilities	117	-	-
Non-current liabilities	117	-	-
Equity attributable to the owners of the parent			
Ordinary shares	7,476	2,608	2,608
Share premium	76,791	76,791	76,791
Merger relief	641	-	-
Reverse acquisition reserve	(75,176)	(75,935)	(75,935)
Accumulated losses	(5,339)	(3,586)	(3,743)
Total equity	4,393	(122)	(279)
Total liabilities and equity	5,826	2,092	2,129

Consolidated Statement of Cash Flows
for the six months ended 31 March 2014 - unaudited

	Six months ended 31 Mar 2014	Six months ended 31 Mar 2013	Year ended 31 May 2013
	£000	£000	£000
Cash flows from operating activities			
(Loss)/profit for the period	(1,487)	376	540
Finance income	(11)	-	-
Finance expense/(credit)	-	(48)	(97)
Taxation	(30)	(22)	(64)
Depreciation	16	11	22
Amortisation of acquired intangibles	65	-	-
Premium on acquisition expensed	657	-	-
Share option charge	-	72	106
	(790)	389	507
Changes in working capital			
Decrease/(increase) in trade and other receivables	325	(80)	(312)
(Decrease)/increase in trade and other payables	(1,267)	267	132
Cash used in operations	(942)	187	(180)
Net cash used in operating activities	(1,732)	576	327
Cash flows from investing activities			
Cash & cash equivalents acquired	4,497	-	-
Money market investments acquired	103	-	-
Purchase of property, plant and equipment	(21)	(13)	(20)
Interest received	11	-	-
Net cash generated from investing activities	4,590	(13)	(20)
Cash flows from financing activities			
Issue of shares	203	-	-
Movement in money market investments	(104)	-	-
Net cash generated from financing activities	99	-	-
Movements in cash and cash equivalents in the period	2,957	563	307
Cash and cash equivalents at the beginning of the period	936	279	552
Cash and cash equivalents at the end of the period	3,893	842	859
Money market investments at the end of the period	104	-	-
Total cash, cash equivalents and money market investments	3,997	842	859

1. Basis of preparation

IXICO plc (the Company) is a public limited company incorporated in England & Wales and is admitted to trading on the AIM market of the London Stock Exchange under the symbol IXI. The address of its registered office is 4th Floor, Griffin Court, 15 Long Lane, London EC1A 9PN.

On 14 October 2013 the Company, then named Phytopharm plc, became the legal parent of IXICO Technologies Limited. Reverse acquisition accounting has been adopted since the substance of that transaction is that IXICO Technologies Limited is the accounting parent. IXICO Technologies Limited, then named IXICO Limited, produced its previous annual statutory financial statements for the year ended 31 May 2013 and, following the transaction, has changed its accounting period end to 30 September. Accordingly, the current accounting period has been extended and will be for the sixteen month period commencing 1 June 2013 through 30 September 2014.

These condensed consolidated interim financial statements consolidate the results of IXICO Technologies Limited for the interim period from 1 October 2013 through 31 March 2014 together with the results of IXICO plc and its subsidiaries from the acquisition date of 14 October 2013. The comparative financial information is that of IXICO Technologies Limited.

Rule 18 of the AIM rules requires that an AIM company prepare a half-yearly report for a six-month period, and this rule sets out the information which must be contained in that half-yearly report.

This condensed consolidated interim financial information has not been audited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 May 2013 are included in the Admission Document published by the Company on 23 September 2013. The Admission Document is available on the Company's website www.ixico.com. Those figures have been reported on by IXICO Technology Limited's auditors and their report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. Comparative figures for the six month period to 31 March 2013 are unaudited.

Accounting policies

In preparing this condensed consolidated financial information, management has used the principal accounting policies set out in the IXICO Technologies Limited annual financial statements for the year ended 31 May 2013 contained in the Admission Document, which have been prepared in accordance with IFRSs as adopted by the European Union.

The following accounting policies have been adopted in the preparation of this interim statement:

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Money market investments

Money market investments have fixed maturities that the Company's management intend to hold to maturity or a notice period exceeding three months. These investments include short-term investments with an original maturity date of more than three months.

Intangible assets

Acquired intangible assets are recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be reliably measured. The asset is amortised through the Consolidated Statement of Comprehensive Income over its useful economic life.

Going concern

This interim financial information has been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. As at 31 March 2014 the Company had cash and money market investments of £3,997,000.

After making enquiries and taking into account management's estimate of future expenditure, the Directors have a reasonable expectation that the Group will have adequate financial resources to continue in operation for the foreseeable future.

Critical accounting judgements

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

In preparing the interim financial statements, the main accounting judgements made by the Directors relate to the accounting treatment of the transaction with Phytopharm plc. When developing the Group's accounting policy in respect of the Phytopharm transaction, management has applied IFRS 3's reverse acquisition methodology modified to record the excess of the fair value of consideration transferred over the fair value of net identifiable assets as a listing expense.

The key judgements involved are the identification and valuation of intangible assets which require the estimation of future cash flows and the selection of a suitable discount rate and the determination that the difference between the fair value of the consideration effectively given and the aggregate of the fair values of the separable net assets acquired effectively represents the cost of acquiring the public listing, and has been treated as an administrative expense.

This condensed consolidated financial information was approved by the board of Directors for issue on 6 June 2014.

2. Exceptional expenses

The non-recurring effective cost of acquiring the public listing, together with other transaction costs incurred by IXICO Technologies Limited and certain legacy costs incurred relating to the Huntingdon building previously occupied by the Phytopharm group have been included within exceptional expenses.

3. Acquisitions

With effect from 14 October 2013 the Company, then named Phytopharm plc, became the legal parent of IXICO Technologies Limited. The aggregate consideration for the acquisition was £4,843,000 satisfied by the initial issue of 8,014,403 new ordinary shares and put and call options over 465,350 shares which in substance reflect replacement awards issued by IXICO plc to satisfy outstanding share options under the IXICO Technologies Limited unapproved share option scheme. The fair value of the assets and liabilities arising from the acquisition, provisionally determined, is given in the table below.

	£000
Cash and cash equivalents	4,497
Money market investments	103
Trade and other receivables	600
Intangible fixed assets	650
Trade and other payables	(1,534)
Deferred tax liability	(130)
Total identifiable assets	<hr/> 4,186
Excess treated as the cost of acquiring the public listing	657
Total consideration	<hr/> 4,843 <hr/>

4. Taxation

No corporation tax liability arises on the results for the period due to the loss incurred (2013: £nil). The Group has taken advantage of the research and development corporation tax credits introduced in the Finance Act 2000 whereby a company may surrender corporation tax losses incurred on research and development expenditure for a corporation tax refund. A deferred tax credit has arisen in line with the amortisation of intangibles.

5. Loss per ordinary share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period after the deduction of the weighted average number of the ordinary shares held by the employee benefit trust during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares in issue at 31 March 2014 because it is loss making.

	Unaudited Six months ended 31 Mar 2014	Unaudited Six months ended 31 Mar 2013	Year ended 31 May 2013
(Loss)/profit for the period (£000)	(1,487)	376	540
Basic weighted average number of shares	14,141,800	5,216,314	5,216,314
Fully diluted weighted average number of shares	14,141,800	8,479,754	8,479,754

Fully diluted earnings per share is calculated after showing the effect of outstanding options in issue and the convertible loan note.