



OPTOS PLC Preliminary Results FY13

Positive underlying financial performance with healthy cash generation Strong new customer growth fuelled by Daytona placements

LONDON, UK, 21 November 2013 – Optos plc (LSE: OPTS), the leading medical retinal imaging company, today announces its preliminary results for the year ended 30 September 2013 (“FY13”). All figures are reported in US\$, the Company’s reporting currency.

HIGHLIGHTS

Key metrics encouraging for future outlook

- Positive underlying financial performance
 - Revenue and other operating income¹ was \$159.5m (FY12 \$196.4m) in line with the recent Pre-Close Trading Update
 - 4% growth in underlying revenue²
 - Profit before tax and exceptional items at \$9.2m (FY12 \$26.3m) is slightly ahead of market consensus³
 - Operating costs (excluding exceptional items) reduced by 2% to \$83.9m following successful completion of the restructuring plan
 - Gross margin maintained at 57%⁴
 - Good cash performance with cash flow before acquisition & financing activities generating \$10.5m (FY12 \$3.1m outflow)
 - Net debt reduced by 18% to \$39.4m (FY12 \$47.9m)

Operational progress in customer base, pipeline and clinical evidence

- Highest ever level of installations of 1,271, with the installed customer base growing 25% to 5,945
 - Strong demand for Daytona with 1,145 devices installed this year
 - Over 470 200Tx devices installed globally, including into key ophthalmology centres in the US, Japan, Germany and the Middle East
 - Two important new corporate contracts signed - OPSM in Australia (a further 250 devices) and Visionworks in the US (100 devices)
- Continued progress from investment in pipeline and product range
 - Lotte, our combined ultra-widefield retinal imaging technology with integrated optical coherence tomography (OCT) is progressing well
 - Further advancements made on California, our 200Tx upgrade
- Positive clinical results generated through the publication of three key papers
 - A Harvard University study demonstrated the extent of diabetic retinopathy in the peripheral retina and the impact on severity of disease
 - A comparison of image-assisted versus traditional fundus examination demonstrated the ability of **optomap**®-assisted examinations to outperform traditional retinal examinations
 - A study into ultra-widefield retinal imaging in the management of non-infectious retinal vasculitis provided evidence that more effective detection of active vasculitis leads to earlier treatment and improved patient outcomes

Roy Davis, CEO of Optos, said:

“Following a challenging start to the year, we delivered underlying revenue growth and improved cash generation whilst making good progress with the roll out of Daytona. The 25% increase in our installed customer base - our largest annual increase yet - includes the placement of 1,145 Daytona devices and demonstrates the increasing value of our proprietary technology to eye healthcare professionals globally. With strong sales of Daytona, our new products progressing well, the building body of clinical evidence and a broadened geographical reach, the Board is confident that Optos is well placed to drive sales and profitability in 2014.”

Notes

- 1 Other operating income represents income from the extension of previously recognised finance leases.
- 2 Underlying revenue growth is calculated by treating all payments receivable in the period from rental contracts as operating leases rather than finance leases.
- 3 Bloomberg estimate.
- 4 Includes other operating income

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Note to Editors: Images available upon request

About Optos Plc

Optos plc has the vision to be The Retina Company. We aim to be recognised as a leading provider of devices and solutions to eyecare professionals for improved patient care. Optos' core devices produce ultra widefield, high resolution digital images (optomaps®) of approximately 82% of the retina, something no other device is capable of doing in any one image.

Optos has a range of imaging devices that support different customer segments and patient levels: the P200 and 200Dx devices are concentrated on wellness screening carried out by optometrists and ophthalmologists in primary care; the P200C devices are designed to meet the need for more exacting clinical imaging capabilities and standards in secondary care within the ophthalmology market and at optometric practices that are clinically managing a patient base with advanced ocular disease; and the P200MA and 200Tx devices supports ophthalmologists and retinal specialists in the medical care market.

Daytona represents the next generation of Optos ultra-widefield retinal imaging technology, and has been scaled to accommodate smaller office spaces while providing high resolution imaging, and adding new autofluorescence capabilities. Weighing only about 25 kg, Daytona's new, ergonomic body is designed to increase patient comfort, as well as make it easier to correctly position the eye. In addition to the smaller, sleeker design, Daytona features an improved user interface with its intuitive, workflow based software. Daytona also offers "plug-n-play" installation, a modular robust build-design to simplify product support, image review capabilities and electronic image storage options. Daytona was designed to allow the globalisation of the core Optos imaging technology, giving the opportunity to offer the benefits of optomaps® technology to more eyecare professionals and their patients around the world.

The acquisition of OPKO instrumentation in October 2011 brought the group optical coherence tomography ("OCT") diagnostic devices and optical ultrasound scanners, used in the diagnosis and management of eye disease and conditions. Optos' widefield retinal imaging technology, combined with the specific data that can be derived from OCT images, has the potential to offer ophthalmologists and optometrists the most powerful tools for disease diagnosis and management. The optomaps® images provide enhanced clinical information which facilitates the early detection, management and treatment of disorders and diseases evidenced in the retina such as retinal detachments and tears, glaucoma, diabetic retinopathy and age-related macular degeneration. Retinal imaging can also indicate evidence of non-eye or systemic diseases such as hypertension and certain cancers. OCT delivers an image that shows a three dimensional, cross-sectional view of the retina in any particular area, typically in the central pole area of the retina around the optic nerve and macula and is used to detect the presence of and understand the severity of disease, determine treatment approaches and monitor post-treatment effect.

Our expanded product range now includes ultra-widefield imaging, OCT, visual acuity, perimetry and treatment laser products.

For more information please visit our website www.optos.com.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about its industry, its beliefs and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Chairman's statement

This has been a challenging year for the Company, but one in which there have been many successes. I am pleased to report a record increase in the number of customers, up 25% in the year to 5,945. The Company delivered strong sales of Daytona, our next generation ultra-widefield (UWF) retinal imaging device, in its first full year. Over 1,100 practitioners installed the device this year, taking the total number of Daytona customers to nearly 1,500 in just 18 months, demonstrating that Daytona is a winning product. This is further borne out by OPSM signing up for an additional 250 devices in Australia, which will take their total to 410, as well as by the Visionworks order of 100 Daytona devices. However, revenues in the first half were lower than expected due to slower economic conditions and, in common with most new product launches, some early software upgrades and enhancements required for Daytona which have now been completed.

Daytona remains core to our international expansion, margin enhancement and future product development.

Whilst we continue to make progress in the ophthalmology sector, the demand for Optos' high-performance 200Tx device for the ophthalmology and vitreo-retinal markets was not as strong this year. However, it remains an important product and opportunity in key export markets such as Japan and the Middle East. The ophthalmology sector continues to be a strategic focus, including the development of products to meet the clinical needs of our customers and provide them with the best service and support possible.

Our expansion into new markets continues with a growing global customer base. We now have 5,945 UWF devices installed in optometry and ophthalmology practices worldwide, with International placements increasing by 58% and placements in the Americas by 18%. Over 40 million patients have received **optomap**® examinations through our rental customers, demonstrating the continuing utility and value of the technology.

In the course of this year we have seen acceleration in the delivery of positive clinical study results. Of particular note, an important study from Harvard University demonstrated the sheer extent of diabetic eye disease in the retina. The study found that diabetic retinopathy extends beyond the ability of standard technology and only our UWF **optomap**® enables the extent to be measured fully. A link has been established with the severity of disease that we believe will lead to our technology changing the standard of care. It is through our strategy to build clinical evidence with supplementary studies that we aim to demonstrate the potential positive impact of UWF to clinical care.

We successfully grew the customer base substantially during the year. However, due to the rental profile there were far fewer renewal opportunities compared to the previous year. Therefore, combined revenue and other operating income fell to \$159.5m for the year ended 30 September 2013, compared to \$196.4m last year. On an underlying basis, treating all payments receivable in the period from rental contracts as operating leases, we grew 4%.

As a result of the reduced revenue, profit before tax and exceptional items was \$9.2m (FY12: \$26.3m) with basic earnings per share before tax and exceptional items reducing to 12.8c (FY12: 36.8c).

Cash flow before acquisition and financing activities improved significantly in the year, generating \$10.5m compared to a \$3.1m outflow last year due to revenue mix, a higher proportion of capital sales and the timing of finance lease receipts. As a result, we were able to reduce net debt to \$39.4m from \$47.9m at the end of the previous financial year. During the year, we increased our revolving credit facility to \$50m providing additional flexibility to fund the business.

I look forward with confidence to next year with Daytona remaining a key driver of revenue growth underpinned by strong clinical data that will help to increase penetration in the ophthalmology segment. We also expect to see a continued reduction in the cost of the Daytona device.

Finally, I would like to thank Louisa Burdett for her contributions as Chief Financial Officer and to welcome Robert Kennedy to the Board as her successor. I would also like to thank Barry Rose for his valuable contribution to the Board over the last eight years. As always, I would also thank our investors for their continued support during the past year, and our employees for their outstanding efforts which have underpinned the advances achieved within the business.

Dr Peter Fellner

Chairman

20 November 2013

Chief Executive Officer's review

We have seen a year of strong new customer growth, in particular with Daytona, our new flagship product, gaining good traction. The difficult start to the year has meant that headline revenue and profits were lower than we had anticipated; however, we saw positive underlying performance with 4% growth and a healthy generation of cash, helping to reduce our net debt by 18%.

Products

The new Daytona has been designed to be accommodated within smaller office spaces and to increase patient comfort, whilst still providing high resolution imaging and adding new auto-fluorescence capabilities. The device has performed strongly in its first full year with over 1,100 devices being sold or rented; clearly demonstrating that Daytona is a game-changing device for the Company.

We now have nearly 1,500 Daytona customers. During the year, we were delighted to enter into an additional agreement for a further 250 units with OPSM, the leading optometry chain in Australia and New Zealand which, when installed, will take their total to 410. We also agreed terms to supply 100 Daytona devices to HVHC, Inc. for installation in its Visionworks optometry stores in the US.

Our near term focus is to drive the sales of Daytona in all our key markets and continue to improve the efficiency of manufacture.

As a result of delayed customer decision making, increased competition and economic conditions in certain territories, our Tx device sales were not as strong as we had anticipated. Other product sales were largely in line with expectations.

Segments

During the year we continued to develop the ophthalmologist and retinal specialist segments, developing disease-specific offerings such as Diabetic Retinopathy, where we see significant opportunities. Although sales of the Tx device were subdued, we have made good progress in the segment, including some notable successes with Daytona within general ophthalmology as well as increasing our presence in the field of Diabetic Retinopathy. To accelerate the development of this important market in North America, we have embedded the ophthalmology specialists within the regional teams. Elsewhere, we continue to grow our ophthalmology presence in the key markets of Japan and the Middle East.

Looking forward, we believe that corporate accounts, driven primarily by Daytona, represent a significant opportunity for Optos. In FY13, we have made good progress achieving substantial sales and orders from Vision Source and Visionworks in the US as well as the continued success at OPSM.

Geographies

We continue our expansion into new geographies, with territories outside of North America contributing 30% of total revenue in FY13, up from 25% last year. We also grew the International installed base by 58% during the year.

Americas

North America continues to be our main market and, although revenue was down in the year due to the reduced number of renewal opportunities, the installed base increased by 18%. We have also started to develop business in South America, which represents an excellent opportunity, particularly in Brazil.

International

In Europe, the picture has been mixed due to the challenging economic conditions. We have seen reasonable customer growth in Northern Europe, although not as strong as we would have liked, and in Southern Europe it has been difficult. The Middle East represents a significant opportunity for us, in particular around diabetes. We have, therefore, established a presence in Dubai to support this important future market.

The key international growth markets were Australia, through the OPSM contract, and Asia, where we continued to expand our presence in South Korea, Hong Kong and Taiwan, as well as maintaining strong sales in Japan, both for the Tx and Daytona devices.

Choice of Business Models

Our customers continue to respond well to the alternative business models we offer. The trend away from the traditional pay-per-patient model and towards outright purchases of the devices continues based on customer choice. In the year, we have seen an increase of 24% in capital sales. We have supported this through partnerships with finance companies to simplify the process for those customers wishing to own the equipment.

The success of the Daytona device further expanding the portfolio of products and software allows the sales team to attract new customers and retain existing relationships. We have also seen a further reduction in the number of devices de-installed in the year to just 101 (FY12: 203) which represents less than 2% of the installed base (FY12: 4%).

The success of the different business models, along with strong cost control, has resulted in a significantly improved cash performance compared to the previous year. Cash flow before tax, acquisition and financing activities was a \$13.5m inflow (FY12: \$1.8m outflow).

Research & Development

We have made good progress on the combination of widefield retinal imaging technology with OCT into a single device, which has the potential to offer eyecare professionals the most powerful tools for disease diagnosis and management.

Following earlier demonstration of Indo-Cyanine Green Angiography (ICG) capability on our devices, which is important for imaging the deeper choroidal vessels in the eye and an important screen for aged-related macular degeneration used extensively in Asian markets, we have completed three highly successful clinical evaluations providing confidence to proceed with commercialisation of ICG on future products. This will be incorporated into "California", the designated replacement for the 200Tx device, which will be based on the Daytona platform, and is a key product in our development pipeline.

Optomap® Images are at the very core of our offering and improving these images is an ongoing primary aim. During the last 12 months we have developed and demonstrated patent pending technology to deliver image quality improvements for current and future product platforms. This is complemented by a suite of test software that provides quantitative assessment of image quality to ensure optimal results.

Providing clinicians with targeted software tools, in many cases disease specific, to support better decisions and improved patient outcomes, will allow us to continue to differentiate our product offering. Proview, our patented method for displaying **optomap®** images, addresses the inherent bias in any curved surface when displayed on a flat plane and will be the building block which will underpin a suite of imaging tools. It introduces capabilities such as accurate measurement of retinal features, registration of images across imaging modalities and platforms, a software method for automated montage and blending of central and eye steered images, thereby providing a complete view of the patient's retina. Work is also progressing on Diabetic Retinopathy grading software.

The Significance of the Peripheral Retina in Diabetic Retinopathy (and Beyond)

We are committed to further strengthening our clinical evidence and expanding our disease indications whilst demonstrating the importance of imaging the entire retina. Historical medical literature has suggested that some of the earliest clinical changes in diabetic retinopathy may occur in the peripheral retina. This year, with UWF **optomap®**, we have been able to provide evidence for the first time to prove this premise. We published results from a clinical study comparing our ultra-widefield imaging to Early Treatment Diabetic Retinopathy Study (ETDRS) protocol fundus photography. This study, completed by Harvard University, demonstrated that one third more lesions were found in the peripheral area outside of ETDRS seven standard fields. Additionally, in many of these patients, this led to a more severe grading of diabetic retinopathy. Thus, a great body of pathology is in the peripheral retina that would have been missed by standard technology. We believe that our ongoing research in diabetic eye disease and beyond, will lead to more effective detection of disease at a stage at which treatment can prevent visual loss.

In addition, we published a first study that demonstrates the ability of **optomap®**-assisted examinations to outperform traditional retinal examinations and the first study to provide evidence that more effective detection of active vasculitis leads to earlier treatment and better patient outcomes.

We are committed to focusing our clinical research to strengthening the pillars of detection and prevention of blindness due to diabetic retinopathy, as well as other diseases, and in changing the standards of care.

Summary and Outlook

Following a difficult start to the year, we delivered underlying revenue growth and improved cash generation whilst making good progress with the roll out of Daytona. The 25% increase in our installed customer base – our largest annual increase yet includes the placement of 1,145 Daytona devices and demonstrates the increasing value of our proprietary technology to eye healthcare professionals globally.

Looking forward, we have a strong R&D pipeline and a growing body of clinical evidence demonstrating the critical importance of diagnostics in the retinal periphery and for the treatment and management of diseases such as Diabetic Retinopathy. During the next financial year we expect to:

- Promote additional growth in the installed base with an increasing penetration within Ophthalmology
- Deliver further reductions in the manufacturing cost of Daytona
- Continue to build the clinical evidence supporting UWF with a focus on specific disease areas
- Continue improved cash generation

With strong sales of Daytona, our new products progressing well, the building body of clinical evidence and a broadened geographical reach, the Board is confident that Optos is well placed to drive customer growth in FY14.

We expect to see continued new customer growth, similar to FY13, delivering a low single digit revenue increase in FY14. Gross margin for the full year, on the basis of the anticipated mix of capital sales and rentals, is expected to improve to around 60%, exiting the year at a higher rate as we benefit from the reduced Daytona manufacturing cost. Consequently, in future years we would anticipate further incremental improvements in gross and operating margins, as well as continued customer growth and increased renewal opportunities.

Roy Davis

Chief Executive Officer

Financial review and KPIs

Financial Summary

US\$m <i>except per share data (cents)</i>	Year ended	Year ended	% Change
	30/09/2013	30/09/2012	
Revenue and other operating income	159.5	196.4	-19%
Operating lease & variable revenues from rental of devices	18.6	52.5	-65%
Device sales - outright	79.5	63.2	26%
Device sales under finance leases	32.6	61.9	-47%
Service & warranty revenues	27.5	15.6	76%
Other operating income ⁽¹⁾	1.3	3.2	-59%
Gross profit	89.2	108.7	-18%
Operating profit before exceptional items	6.6	25.9	-75%
Profit before tax and exceptional items	9.2	26.3	-65%
Profit before tax	9.5	23.4	-59%
Profit after tax	6.4	17.6	-64%
EPS after tax and exceptional items (diluted) - cents	8.6	23.9	-64%
Cash before tax, financing and acquisition	13.5	(1.8)	
Net debt	39.4	47.9	18%

1 Other operating income consists of \$0.1m capital (FY12: \$1.0m) and \$1.2m finance lease (FY12:\$2.2m)

Profit and Loss Account

Revenues

The sum of revenues (\$158.2m) and other operating income (\$1.3m), in total \$159.5m, were 19% lower than last year (\$196.4m), largely reflecting the reduced number of renewal opportunities due to the timing of expiring contracts. The outright sales of devices increased by 24% to \$79.6m (FY12: \$64.2m). Finance leases were substantially lower at \$33.8m (FY12: \$64.1m) due to the reduced number of renewals. Revenues from operating leases fell to \$18.6m from \$52.5m last year, reflecting the shift of rental classification into finance leases. This was partially offset by increased recurring revenues from service and warranty at \$27.5m (FY12: \$15.6m).

Although new rental and capital customers were much higher this year the number of renewals (both rental extensions and capital conversions) were a quarter of that in FY12 (443 v 1,982) and therefore the number of contracts in the year was 35% lower (1,714 v 2,634). Hence revenue is lower even though new customers increased substantially.

The reduced renewal opportunities are largely a result of timing as to when the existing rental contracts expire. At the end of the year we had 3,329 rentals, of which around 900 have a rent-to-own option.

Adjusting revenues in both the current and prior financial year to treat all receipts under rental contracts as if they were operating leases results in underlying growth in revenues of 4%.

Our Americas markets generated revenues of \$110.6m (FY12: \$147.8m) a reduction of 25% due to lower renewal rates, with our International market (excluding inter-segment sales) flat at \$48.9m (FY12: \$48.6m) following continued challenging economic conditions. There was continued growth in Asia and Australia, mainly through sales to OPSM, the leading optometry chain in Australia and New Zealand. Revenues in direct markets were lower due to the lower number of renewal opportunities, although all areas delivered strong installed base growth.

We have \$144m due under non-cancellable rental contracts, of which \$86.2m is recognised in the balance sheet. The balance being committed service revenue that will be matched to the period in which the service is delivered and a small element of remaining operating leases (\$5.9m).

Customer Base

Our customer base for core Optos UWF scanning devices increased from 4,775¹ to 5,945 during the year, growth of 25%.

44% of our devices are owned outright (2,616). We sold 1,037 devices in FY13, compared to 663 in FY12, of which 868 went to new customers. We also added 403 new rental customers (FY12: 375). In total 56% of our total installed base (3,329 devices) remains on rental contract with the majority (2,960) classified as finance leases. This is an increase of 136 rental customers.

In the year there were 443 operating lease renewals, of which 169 chose to buy the device and the remainder extended their rental contract. This compared to 1,982 in FY12, of which 387 were capital conversions and 1,595 were rental renewals.

¹ The opening position has been slightly amended from 4,689 to reflect a consistent presentation of distributor sales

Gross and Operating Profits and Net Finance Costs

Gross profits reduced by \$19.5m to \$89.2m, with a flat gross margin of 57% (FY12: 57%). The first half included some costs associated with Daytona upgrades which had an impact on this margin, as did delays in reducing the Daytona manufacturing cost. Gross margin restated to include the release of finance lease interest was 58% (FY12: 58%).

Overheads before exceptional items were reduced from \$86m to \$83.9m, reflecting reduced sales costs and partial benefits from the restructuring in the second half of the year but offset by a much reduced research costs capitalisation.

Operating margins before exceptional costs decreased from 13% to 4% due to reduced revenue and adverse operational leverage, delivering pre-exceptional operating profits of \$6.6m (FY12: \$25.9m).

Average numbers of employees increased from 426 to 435. The restructuring in the second half of the year has been implemented, but some staff did not leave until the beginning of next financial year. Staff costs for the year were \$49.9m compared to \$55.2m in the previous year, the higher average staff numbers were offset by reduced incentive payments.

Finance interest revenue of \$5m (FY12: \$2.8m) represents the implied discount within finance lease rental contracts and, therefore, is effectively a release of revenue.

Interest charges and other finance costs were flat at \$2.4m.

Profit on Ordinary Activities before Tax

Profit on ordinary activities before tax was \$9.2m and a profit of \$9.5m after exceptional items, compared to \$26.3m and \$23.4m after exceptional items in the prior year.

Exceptional Items

Exceptional credits of \$0.3m arose in the period (charge of \$1.3m after tax) relating to four areas:

	\$m
Opko royalty reduction	4.8
Restructuring costs	(0.8)
Exchange rate on translation	(2.3)
Intangible (development) impairment	(1.4)
Exceptional credit	0.3

When Optos acquired the assets and trade of OPKO in September 2011, \$8.5m of contingent consideration was recognised to reflect royalties payable on future sales of OPKO OCT products, or products using that technology. This liability was reduced to \$6.3m in the year to 30 September 2012. An agreement has been reached with OPKO to pay \$1.5m royalties in three payments, the final payment by June 2014, as final settlement of this royalty. This results in a non-cash exceptional credit of \$4.8m, with the \$1.5m balance being re-classified from provisions to creditors.

A restructuring plan was announced on 1 May 2013 to deliver savings and to position the business for faster growth and closer customer service; this included the closure of two sites. Costs totalling \$0.8m have been incurred relating to this restructuring.

As a consequence of adverse exchange rate movements, in particular the USD to AUD rate, there was a material adverse charge of \$2.3m relating to the translation of inter-company balances. Given the nature and size of this it was deemed material to the overall result.

Lastly, during the second half of the year the decision was taken to focus development effort on the combined UWF/OCT device and to stop further development of the standalone OCT device. As a result, the intangible development asset associated with the standalone OCT device was written off at a cost of \$1.4m.

Tax

The total charge of \$3.1m for the year can be analysed as below:

\$m	Pre Exceptional	Exceptional	Total
Profit before tax	9.2	0.3	9.5
Tax (see breakdown below)	1.5	1.6	3.1
<i>Effective rate</i>	16%	533%	33%
Tax analysis			
Current – current year	0.2	(0.1)	0.1
Current – prior year	0.8		0.8
Deferred tax year	0.5	1.7	2.2

In the pre-exceptional tax charge for the year we have recognised the tax losses in Australia based on current and expected future profitability. This has resulted in a deferred tax asset of \$1.5m being recognised on the balance sheet. In addition, the tax charge includes a prior year adjustment relating primarily to US State taxes (\$0.6m) which have historically been accrued on a blended rate but following a detailed review have now been trued up (note there is no cash impact as the appropriate amount of taxes had been paid). Adjusting for these items the effective tax rate in the year was 26%.

The post exceptional charge is high as it includes a deferred tax liability relating to the difference between the amount included as part of the initial OPKO purchase price allocation for the estimated royalty payment and the actual amount to be paid, partly offset by the fact that the royalty release in the period is not taxable.

The resultant post-tax profit after exceptional items was \$6.4m, representing basic earnings per share of 8.9c compared with 24.6c, in the previous year.

Cash Flow

Cash flow from operating activities before tax was an outflow of \$16.2m compared to an inflow of \$4.9m in FY12. However, a large proportion of cash received relates to finance leases (rental and imputed interest) which, although shown within investing activities, are a core part of operating activities.

	FY13	FY12	Mvt
Cash flow from operating activities	(16.2)	4.9	
Cash receipts from finance lease receivables	29.6	7.1	
Finance lease interest receivable	5.0	2.8	
Adjusted operating cash flow	18.4	14.8	3.6
Purchases of property, plant and equipment	(3.8)	(9.9)	
Expenditure on intangible assets	(1.1)	(6.7)	
Cash flow before tax, acquisition and financing	13.5	(1.8)	15.3
Tax paid	(3.0)	(1.3)	
Cash flow before acquisition and financing	10.5	(3.1)	13.6
Acquisition	0.0	(17.5)	
Financing activities	6.8	17.0	
<i>Net increase / (decrease) in cash</i>	<i>17.3</i>	<i>(3.6)</i>	

Cash flow before tax, acquisitions and financing activities was an inflow of \$13.5m compared with an outflow of \$1.8m in the previous year and therefore a positive \$15.3m movement. This was due to revenue mix, a higher proportion of capital sales, and the timing of finance lease receipts. This improvement was offset by the reduced profit and increased inventory relating to the build-up of Daytona compared to FY12.

Excluding finance income and finance lease receipts, investing activities used \$4.9m (FY12: \$34.1m). Expenditure on intangible assets of \$1.1m related primarily to internal research and development. This was \$5.6m lower than last year due to the costs for the Daytona project in FY12. Cash investment in fixed assets fell from \$9.9m to \$3.8m, reflecting a reduced number of devices under operating leases treated as plant and equipment.

Cash flow before acquisition and financing activities was \$10.5m which compares positively to a \$3.1m cash outflow in FY12. Net cash flows from financing activities resulted in a net cash inflow of \$6.8m (FY12: an inflow of \$17.0m). This includes the \$50m revolving credit facility with Lloyds Bank of which \$38m was drawn at the year end (FY12: \$30m). Cash balances increased by \$17.3m in the year to \$23.9m, whilst finance lease obligations increased by \$0.8m from \$24.5m to \$25.3m, resulting in net debt at the year end of \$39.4m compared to \$47.9m at the start of the year.

Balance Sheet

Shareholders' equity increased to \$125.5m in the year from \$118.6m, principally reflecting the increase in retained profits. Finance lease receivables increased to \$86.2m (FY12: \$82.2m).

Non-current assets fell to \$110.4m (FY12: \$127.7m) due to two principal movements. There has been a reduction in property, plant and machinery due to reduced operating leases. In addition the value of intangible assets has fallen due to amortisation, reduced capitalisation of development costs and a write off of the OCT development asset in the year.

Current assets increased to \$116.7m from \$90.4m with increases in finance lease receivables and inventories of \$5.9m and \$5.5m respectively. Cash balances also increased by \$17.3m in the year. Trade receivables fell by \$4.5m reflecting lower sales towards the year end compared with the previous year.

Total liabilities increased slightly to \$101.6m from \$99.5m, but with a large shift between current and non-current as the bank facility is now deemed to be a current liability as it expires in September 2014. Total finance liabilities increased by \$2.1m primarily due to \$8.8m (bank \$8m, vendor financing \$0.8m) offset by a reduction in provisions of \$6.2m (primarily the release of royalty with the balance re-classified as a creditor).

Consolidated income statement

For the year ended 30 September 2013

	Notes	2013 Before exceptional items \$m	2013 Exceptional items (Note 4) \$m	2013 \$m	2012 Before exceptional items \$m	2012 Exceptional items (Note 4) \$m	2012 \$m
Revenue	5	158.2	-	158.2	193.2	—	193.2
Cost of sales		(69.0)	-	(69.0)	(84.5)	—	(84.5)
Gross profit		89.2	-	89.2	108.7	—	108.7
Selling and distribution costs		(32.4)	-	(32.4)	(34.8)	—	(34.8)
Administrative and other expenses		(51.5)	0.3	(51.2)	(51.2)	(2.9)	(54.1)
Other operating income	5	1.3	-	1.3	3.2	—	3.2
Operating profit		6.6	0.3	6.9	25.9	(2.9)	23.0
Finance revenue	6	5.0	-	5.0	2.8	—	2.8
Finance costs	6	(2.4)	-	(2.4)	(2.4)	—	(2.4)
Profit from continuing operations before taxation		9.2	0.3	9.5	26.3	(2.9)	23.4
Tax (charge)/credit	8	(1.5)	(1.6)	(3.1)	(7.5)	1.7	(5.8)
Net profit for the year attributable to equity holders of the parent		7.7	(1.3)	6.4	18.8	(1.2)	17.6
Profit before taxation per ordinary share							
Basic	9	12.8c	-	13.2c	36.8c	—	32.7c
Diluted	9	12.4c	-	12.8c	35.7c	—	31.7c
Profit after taxation per ordinary share							
Basic	9	10.7c	-	8.9c	26.3c	—	24.6c
Diluted	9	10.4c	-	8.6c	25.6c	—	23.9c

Consolidated statement of comprehensive income

For the year ended 30 September 2013

	2013 \$m	2012 \$m
Profit for the year	6.4	17.6
<i>Other comprehensive income to be reclassified to profit and loss in subsequent periods:</i>		
Exchange differences on foreign operations	0.3	—
<i>Other comprehensive income not being reclassified to profit or loss in subsequent periods:</i>		
Deferred tax associated with share-based payment transactions	-	0.1
Other comprehensive income for the year after tax	0.3	0.1
Total comprehensive income for the year	6.7	17.7

Consolidated balance sheet

As at 30 September 2013

	Notes	2013 \$m	2012 \$m
Assets			
Non-current assets			
Property, plant and equipment	10	9.0	17.9
Intangible assets	11	42.3	47.1
Investments in subsidiaries		-	—
Finance lease receivables	12	55.3	57.2
Deferred tax asset		3.8	5.5
Total non-current assets		110.4	127.7
Current assets			
Inventories	13	34.6	29.1
Tax receivable		2.3	0.2
Finance lease receivables	12	30.9	25.0
Trade and other receivables	14	25.0	29.5
Cash and cash equivalents		23.9	6.6
Total current assets		116.7	90.4
Total assets		227.1	218.1
Equity and liabilities			
Equity			
Issued capital		2.6	2.5
Share premium		120.3	120.0
Retained profit/(deficit)		2.7	(3.5)
Foreign exchange reserve		(0.1)	(0.4)
Total equity		125.5	118.6
Non-current liabilities			
Financial liabilities	15	13.8	42.7
Provisions	16	-	6.4
Government grants		-	—
Deferred tax liability		1.0	-
Total non-current liabilities		14.8	49.1
Current liabilities			
Trade and other payables	17	36.8	38.3
Provisions	16	0.5	0.3
Financial liabilities	15	49.5	11.8
Government grants		-	—
Total current liabilities		86.8	50.4
Total liabilities		101.6	99.5
Total equity and liabilities		227.1	218.1

Approved by the Board of Directors on 20 November 2013 and signed on its behalf by:

Robert Kennedy
Director

Group statements of changes in equity

For the year ended 30 September 2013

Group	Notes	Share capital \$m	Share premium \$m	Retained (deficit) profit \$m	Foreign exchange \$m	Total \$m
At 1 October 2011		2.5	119.7	(21.3)	(0.4)	100.5
Other comprehensive income		—	—	0.1	—	0.1
Profit for the year		—	—	17.6	—	17.6
Total comprehensive income for year		—	—	17.7	—	17.7
Issue of ordinary share capital	18	—	0.3	—	—	0.3
Share-based payments		—	—	0.1	—	0.1
At 30 September 2012		2.5	120.0	(3.5)	(0.4)	118.6
Other comprehensive income		—	—	-	0.3	0.3
Profit for the year		—	—	6.4	—	6.4
Total comprehensive income for year		—	—	6.4	0.3	6.7
Issue of ordinary share capital	18	0.1	0.3	—	—	0.4
Deferred tax associated with share-based payment transactions		—	—	(0.5)	—	(0.5)
Share-based payments		—	—	0.3	—	0.3
At 30 September 2013		2.6	120.3	2.7	(0.1)	125.5

Share premium

Share premium comprises the cumulative difference between the net proceeds and nominal value of the Company's issued equity share capital.

Foreign exchange reserve

This reserve includes all cumulative differences on the translation of the Group's net investment in foreign operations. Optos elected to deem the cumulative differences on the retranslation into US dollars of the Group's net investment in foreign operations to be \$nil as at 1 October 2004. As a result, in the event of any future disposal of a foreign operation, any gain or loss on disposal will include cumulative translation differences arising only on or after 1 October 2004.

Consolidated cash flow statement

For the year ended 30 September 2013

	Notes	2013 \$m	2012 \$m
Operating activities			
Profit for the year		6.4	17.6
Adjustments to reconcile profit for the year to net cash inflow from operating activities:			
Income tax charge		3.1	5.8
Net finance (revenue) /costs		(2.6)	(0.4)
Depreciation, amortisation and impairment of non-current assets		13.3	26.7
Contingent consideration		—	(0.8)
Property, plant and equipment scrapped		0.3	0.5
Intangibles held in Software disposed of		0.1	-
Medical devices held in PPE disposed of		3.4	14.1
Share-based payments		0.3	0.1
Revenue recognised from device sales under finance leases		(33.8)	(64.1)
Decrease/(increase) in trade and other receivables		4.5	(3.0)
Amortisation of government grants		—	(0.3)
(Decrease)Increase in inventories		(4.0)	(0.7)
(Decrease)/increase in trade and other payables		(1.0)	11.5
(Decrease)/increase in provisions		(6.2)	(2.1)
Cash flow from operating activities		(16.2)	4.9
Tax paid		(3.0)	(1.3)
Net cash flow from operating activities		(19.2)	3.6
Cash flow from investing activities			
Finance lease interest receivable		5.0	2.8
Purchases of property, plant and equipment		(3.8)	(9.9)
Business acquisitions net of cash acquired		—	(17.5)
Expenditure on intangible assets		(1.1)	(6.7)
Cash receipts from finance lease receivables		29.6	7.1
Net cash flow from investing activities		29.7	(24.2)
Cash flow from financing activities			
Proceeds from vendor finance		15.1	12.3
Repayment of vendor finance		(14.3)	(23.2)
Proceeds from new borrowings		8.0	30.0
Proceeds from share issues		0.4	0.3
Interest paid		(2.4)	(2.4)
Net cash flow from financing activities		6.8	17.0
Net increase/(decrease) in cash and cash equivalents		17.3	(3.6)
Effect of foreign exchange on cash and cash equivalents		—	—
Cash and cash equivalents at beginning of year		6.6	10.2
Cash and cash equivalents at end of year		23.9	6.6

1 Basis of preparation

a) Basis of preparation

The financial statements have been prepared in accordance with the Group's accounting policies which are based on International Financial Reporting Standards ("IFRS") and IFRIC interpretations as endorsed by the European Union ("EU") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements are presented in US dollars as this is the Group's functional currency, and all values are rounded to the nearest one hundred thousand except when otherwise indicated.

The financial information for the years ended 30 September 2013 and 2012 set out above does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006 ("the Act"). Statutory accounts for the year ended 30 September 2012 have been delivered to the Registrar of Companies, and the accounts for the year ended 30 September 2013 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006.

The Annual Report and Accounts for the year ended 30 September 2013 will be posted to shareholders in January 2014. The results for 2013 were approved by the Board of Directors on 20 November 2013 and are audited. The Annual General Meeting will take place on 20 February 2014.

Interim and preliminary announcements notified to the London Stock Exchange are available on the internet at www.optos.com.

b) Going Concern

The Group's business activities and principal risks and uncertainties are set out in Note 20.

Having considered uncertainties under the current economic environment, and after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

This conclusion has been reached having considered the effect of liquidity risk on the Group's ability to operate effectively. Currently, liquidity risk is not considered a significant business risk to the Group given its level of cash, available debt facilities and cash flow projections. The key liquidity risks faced by the Group are considered to be the failure of banks where funds are deposited and the inability to secure additional debt finance in order to facilitate the expansion of the Group's business or to introduce new or improved products.

As part of this review the Directors considered the current levels of available debt facilities, the structure of the debt finance being multiple asset-backed arrangements and the availability of other sources of debt capital including the \$50m revolving credit facility. Although the current revolving credit facility expires in September 2014, there are several credit approved financing options available to the company. The Directors also considered the levels of future cash flows guaranteed under its rental customer agreements and the pattern of future debt repayments associated with current finance obligations.

c) New standards and interpretations

New standards and interpretations adopted in these accounts are listed below and did not have any material effect on the financial position or performance of the Group.

International Accounting Standards (IFRS/IAS)		Effective date for periods commencing
IAS 12 (amendment)	Recovery of Underlying Assets	1 January 2012
IAS 1 (amendment)	Presentation of Other Items of Comprehensive Income	1 July 2012
	Improvements to IFRSs (issued May 2012)	various

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.

2 Basis of consolidation

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination.

3 SEGMENTAL ANALYSIS

Following the restructuring announced in May 2013, the Group has two reportable segments, being Americas and International markets. Americas reportable segment covers operations in North and South America. The rest of the world is reported under International. No restatement in reportable results of the segments is required following this change.

In assessing performance and making resource allocation decisions, the Operating Board (which is the Group's chief operating decision-making body) and the Board review revenues and gross profits by segment.

Optos sells a range of diagnostic and treatment devices to healthcare professionals globally, either directly or through arrangements with distributors. Cash flow is generated through the rental or sale of devices and related software and support services.

The business is managed on an integrated basis, with functions managed globally and decisions reached through cross-functional committees. In particular, Research and Development is actively targeted at new products and at enhancing the existing product for all markets. Manufacturing, marketing, sales, regulatory and support functions are managed and operate on a global basis and are not specific to individual markets or products.

Transfer prices between segments are set in accordance with the Group's transfer pricing policy. Segment revenue, segment expense and segment result include transfers between geographical segments. Those transfers are eliminated on consolidation.

An analysis by operating segment is given below for the year ended 30 September 2013:

	Americas 2013 \$m	International 2013 \$m	Eliminations 2013 \$m	Total 2013 \$m
Revenue				
Operating lease and variable revenue from rental of devices	15.3	3.3	-	18.6
Device sales under finance leases	17.9	15.9	-	33.8
Device sales – outright	54.7	24.9	-	79.6
Service and warranty contracts	22.7	4.8	-	27.5
Inter-segment sales		26.7	(26.7)	-
Segment revenue⁽¹⁾	110.6	75.6	(26.7)	159.5
Operating lease and servicing costs	(13.6)	(5.6)	-	(19.2)
Cost of goods of device sales under finance leases	(7.0)	(8.1)	-	(15.1)
Cost of goods of outright device sales	(21.5)	(13.2)	-	(34.7)
Inter-segment costs	(26.7)	-	26.7	-
Segment gross profit⁽¹⁾	41.8	48.7	-	90.5
Selling and distribution costs				(32.4)
Administrative and other expenses				(51.2)
Operating profit				6.9
Net finance costs				2.6
Profit from continuing operations before taxation				9.5
Taxation				(3.1)
Net profit for the year				6.4
Assets and liabilities				
Segment assets	126.0	204.4	(156.1)	174.3
Unallocated assets				52.8
Total assets				227.1
Segment liabilities	122.4	71.0	(156.1)	37.3
Unallocated liabilities				64.3
Total liabilities				101.6
Other segment information				
Capital expenditure:				
Property, plant and equipment	1.7	2.1	-	3.8
Intangible fixed asset	0.2	0.9	-	1.1
Depreciation	3.9	3.6	-	7.5
Amortisation	1.2	3.2	-	4.4
Loss on disposal of non-current assets	0.4	-	-	0.4
Exceptional items (includes intangible asset impairment)	(4.0)	3.7	-	(0.3)

Unallocated assets primarily comprise goodwill, cash and short-term deposits and deferred tax assets.

Unallocated net liabilities comprise financial liabilities and taxation.

Revenue includes \$27.9m attributable to the UK. Non-current assets, excluding deferred tax assets and investments, include \$24.6m attributable to the UK.

1 Segment revenue and gross profit includes other operating income of \$1.3m which relates to income derived from extension of existing finance lease contracts. This presented as other income on the face of the income statement.

An analysis by operating segment is given below for the year ended 30 September 2012:

	<i>Americas</i> 2012 \$m	<i>International</i> 2012 \$m	<i>Eliminations</i> 2012 \$m	<i>Total</i> 2012 \$m
Revenue				
Operating lease and variable revenue from rental of devices	45.1	7.4	—	52.5
Device sales under finance leases	48.4	15.7	—	64.1
Device sales – outright	40.7	23.5	—	64.2
Service and warranty contracts	13.6	2.0	—	15.6
Inter-segment sales	—	29.9	(29.9)	—
Segment revenue⁽¹⁾	147.8	78.5	(29.9)	196.4
Operating lease and servicing costs	(20.5)	(8.8)	—	(29.3)
Cost of goods of device sales under finance leases	(16.1)	(7.9)	—	(24.0)
Cost of goods of outright device sales	(16.3)	(14.9)	—	(31.2)
Inter-segment costs	(29.9)	—	29.9	—
Segment gross profit⁽¹⁾	65.0	46.9	—	111.9
Selling and distribution costs				(34.8)
Administrative and other expenses				(54.1)
Operating profit				23.0
Net finance costs				0.4
Profit from continuing operations before taxation				23.4
Taxation				(5.8)
Net profit for the year				17.6
Assets and liabilities				
Segment assets	130.1	201.9	(152.2)	179.8
Unallocated assets				38.3
Total assets				218.1
Segment liabilities	131.2	66.1	(152.2)	45.1
Unallocated liabilities				54.4
Total liabilities				99.5
Other segment information				
Capital expenditure:				
Property, plant and equipment	4.9	5.1	—	10.0
Intangible fixed assets	7.8	21.1	—	28.9
Depreciation	11.8	5.0	—	16.8
Amortisation	1.5	5.9	—	7.4
Loss on disposal of non-current assets	0.2	—	—	0.2
Exceptional items	2.0	(2.4)	—	(0.4)

Unallocated assets primarily comprise goodwill, cash and short-term deposits and deferred tax assets.

Unallocated net liabilities comprise financial liabilities and taxation.

Revenue includes \$25.1m attributable to the UK. Non-current assets, excluding deferred tax assets and investments, include \$24.5m attributable to the UK.

1 Segment revenue and gross profit includes other operating income of \$3.2m which relates to income derived from extension of existing finance lease contracts. This presented as other income on the face of the income statement.

4 EXCEPTIONAL ITEMS

	2013 \$m	2012 \$m
Royalty release	4.8	2.2
Restructuring costs	(0.8)	-
Foreign exchange loss	(2.3)	-
Development cost impairment	(1.4)	-
Employee overtime claims	-	(1.6)
Acquisition costs	-	(1.0)
Contingent consideration	-	0.8
Intangible asset and related trading balances impairment	-	(3.3)
Total exceptional charges recognised in the year	0.3	(2.9)

ROYALTY RELEASE AND INTANGIBLE ASSET IMPAIRMENT

The Group reviews acquisitions at the end of each financial year.

As part of the OPKO instrumentation acquisition in September 2011, contingent royalties amounting to \$8.5m were payable on future product sales. At 30 September 2012, the fair value of this contingent royalty payment was revised downwards from \$8.5m to \$6.3m to reflect the revenue and product mix projections (see Note 18). As at 30 September 2013, an agreement has been reached with OPKO to settle the future royalty payments associated with the acquisition for \$1.5m resulting in \$4.8m release of the provision in the year.

As part of the acquisition of Opto Global Holdings Pty Ltd, intangible assets were recognised relating to a number of key supplier relationships. Due to difficult trading circumstances at one of these suppliers, the carrying value of the intangible asset attributed to this supplier was impaired at 30 September 2012. Trading balances also existed between group companies and this supplier. To reflect the uncertainty as to when these amounts might be recoverable, a position was taken to charge the full amount of \$3.3m in the year ended 30 September 2012 as an exceptional item. This charge was made up of a non-cash item of \$2.5m relating to the supplier intangible asset and \$0.8m relating to the trading amount.

RESTRUCTURING COSTS

On 1 May 2013, the Group announced a restructuring of the business into two regional businesses (Americas and International). As part of this restructuring, the R&D facility in Canterbury and the OCT manufacturing site in Miami were closed moving production to the existing UWF site in Boston. The cost of restructuring amounted to \$0.8m and comprised redundancy costs of \$0.7m and other of \$0.1m.

FOREIGN EXCHANGE LOSS

As a consequence of adverse exchange rate movements, in particular the USD to AUD rate, the Group incurred a material adverse charge of \$2.3m relating to the translation of inter-company balances. The adverse exchange movement has been treated as exceptional this year, due to the material level of the exchange loss recognised and its overall impact on the accounts in comparison to the profit for the year. The material level of exchange difference is considered to be one off in nature.

DEVELOPMENT COSTS

The Group has taken the decision to stop development of the existing stand-alone OCT device and therefore has written off the associated development costs of \$1.4m. With progress being made on the combined UWF/OCT device it was determined to utilise existing group resources to focus on the development of this.

EMPLOYEE OVERTIME CLAIMS

In the year to 30 September 2011, a number of current and former US-based employees of Optos Inc. filed a claim against the Company that their employed status should be non-exempt, thus entitling them to be paid on an hourly basis rather than on a salaried basis and to be paid additional sums for overtime. The claim amounted to \$1.6m and was settled during the first half of the financial year ended 30 September 2013.

ACQUISITION COSTS

During the year ended 30 September 2012 the Group incurred a further \$1.0m of acquisition costs in respect of the OPKO Health transaction of which \$0.5m was incurred in the period to 31 March 2012.

CONTINGENT CONSIDERATION

The Group acquired 100% of the share capital of Opto Global Holdings Pty Ltd on 13 December 2010 for \$14.3m. The purchase consideration included an estimated \$2.5m relating to the fair value of the contingent consideration. The expectation at 30 September 2011 was that the conditions relating to the contingent consideration would no longer be met and \$1.7m was released at that time. During 2012, the fair value of the contingent consideration was further reassessed at zero resulting in a credit of \$0.8m to the income statement and no payment was made. This was due to lower than expected sales primarily the result of delays in the integration of the products/distributors, as well as the time taken to obtain regulatory approval.

5 REVENUE AND EXPENSES

	2013 \$m	2012 \$m
Revenue		
Operating lease and variable revenue from rental of devices	18.6	52.5
Device sales under finance leases	32.6	61.9
Device sales – outright	79.5	63.2
Service and warranty contracts	27.5	15.6
Revenue	158.2	193.2
Other operating income	1.3	3.2
Finance revenue	5.0	2.8
Total revenue	164.5	199.2
Cost of sales	(69.0)	(84.5)
Gross margin	95.5	114.7

No revenue was derived from exchanges of goods or services.

Operating lease and variable revenue from rental of devices includes \$18.6m (2012: \$52.5m) from rental contracts with customers where substantially all the risks and rewards of ownership remain with Optos, being \$12.2m (2012: \$43.1m) from fixed monthly minimum payments to which customers have contracted plus \$6.4m (2012: \$9.4m) from the variable per **optomap®** revenue for tests performed over the monthly minimum levels.

Revenue from the sales of devices classified as finance leases is the lower of an amount equal to the fair value of the asset or the present value of the minimum leased payments from rental contracts where the rental agreement has been assessed as a finance lease.

Service and warranty contracts relate to revenues from contracts to maintain and service the Company's devices.

Other operating income of \$1.3m (2012: \$3.2m) relates to additional income from contracts that had been previously recognised as finance leases.

Certain of the contractual arrangements with the customers fall as being operating leases. Future minimum rentals receivable under non-cancellable operating leases with customers are as follows:

	2013 \$m	2012 \$m
Not later than one year	4.3	15.0
After one year but not more than five years	1.6	10.0
After five years	-	—
	5.9	25.0

	Notes	2013 \$m	2012 \$m
The profit from continuing operations before taxation is stated after charging/(crediting):			
Depreciation charge for the period	10	7.5	16.8
R&D expenditure ⁽¹⁾		9.4	8.5
Amortisation of software ⁽²⁾	11	0.5	0.5
Amortisation of other intangibles and development costs	11	3.9	6.9
Operating leases/rentals		1.9	1.5
Share-based payments		0.3	0.2
Foreign exchange differences		2.3	1.2

1 Includes \$3.0m (2012: \$5.7m) in respect of the amortisation of intangible assets which is recognised in administrative and other expenses through the income statement. In addition, \$0.9m (2012: \$6.4m) of R&D expenditure was incurred which has not been charged in arriving at the pre-tax profit for the period as it has been capitalised as an intangible asset. Further information is included in Note 11 to the Group financial statements.

2 Amortisation of software and acquired intangibles is recognised in administrative and other expenses through the income statement.

6 FINANCING

	2013 \$m	2012 \$m
Finance costs		
Finance lease interest payable	1.5	1.9
Bank interest payable	0.9	0.5
	2.4	2.4
Finance revenue		
Finance lease interest receivable	5.0	2.8
Bank interest receivable	-	—
	5.0	2.8

7 DIRECTORS AND EMPLOYEES

	2013 \$m	2012 \$m
Staff costs for the Group during the year:		
Wages and salaries	44.9	50.0
Social security costs	3.8	4.4
Defined contribution pension costs	1.1	0.6
Share-based payments	0.1	0.2
	49.9	55.2

The average monthly number of persons employed during the year was as follows:

	2013 Number	2012 Number
Executive Directors	2	2
Field (sales and support)	183	187
Manufacturing and refurbishment	128	110
Product development	53	50
Central	58	65
Marketing	11	12
	435	426

The above tabulation excludes the Non-executive Directors.

The Directors' remuneration during the year:

	2013 \$m	2012 \$m
Directors' remuneration	1.5	1.4
Aggregate gains made by directors on the exercise of options	-	-
Pension contributions	0.1	0.1
Number of directors accruing benefits under:		
Defined contributions pension scheme	2	2

8 TAXATION

	2013 \$m	2012 \$m
Analysis of tax charge/(credit) in the year		
Tax on profit on ordinary activities:		
Corporation tax at 23.5% (2012: 25%)		
Current year tax charge	-	-
Adjustment in respect of prior periods	0.1	-
Overseas taxes – prior year	0.7	0.3
Overseas taxes – current year	0.1	0.9
Current year tax charge	0.9	1.2

Deferred tax		
Origination and reversal of timing differences	1.1	5.1
Adjustment in respect of prior periods	0.9	(0.9)
Impact of tax rate change	0.2	0.4
Total deferred tax charge	2.2	4.6
Total income tax charge	3.1	5.8

The tax charge to the income statement includes a charge of \$1.6m in relation to exceptional items (2012: \$1.7m in relation to exceptional items).

9 PROFIT PER ORDINARY SHARE

Basic earnings per share amounts are calculated by dividing the profit before taxation and the profit after taxation for the financial year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit before taxation and the profit after taxation for the financial year by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). In the case of a loss, no impact for further dilution is reflected as this would not have the effect of increasing the loss per share and is therefore not dilutive.

The profit per ordinary share is calculated as follows:

	2013	2012
Weighted average number of ordinary shares in issue	71,991,614	71,463,266
Effect of dilution: share options	2,233,625	2,189,043
Adjusted weighted average number of ordinary shares for diluted earnings per share	74,225,239	73,652,309
Profit before exceptional items and taxation (\$m)	9.2	26.3
Basic profit before exceptional items and taxation per share (cents)	12.8c	36.8c
Diluted profit before exceptional items and taxation per share (cents)	12.4c	35.7c
Profit before exceptional items after taxation (\$m)	7.7	18.8
Basic profit before exceptional items after taxation per share (cents)	10.7c	26.3c
Diluted profit before exceptional items after taxation per share (cents)	10.4c	25.6c
Profit before taxation (\$m)	9.5	23.4
Basic profit before taxation per share (cents)	13.2c	32.7c
Diluted profit before taxation per share (cents)	12.8c	31.7c
Profit after taxation (\$m)	6.4	17.6
Basic profit after taxation per share (cents)	8.9c	24.6c
Diluted profit after taxation per share (cents)	8.6c	23.9c

10 PROPERTY, PLANT AND EQUIPMENT

	<i>Leasehold improvements</i> \$m	<i>Medical devices</i> \$m	<i>Plant and equipment</i> \$m	<i>Total</i> \$m
Cost				
At 1 October 2012	3.3	47.3	11.0	61.6
Additions	—	1.7	2.1	3.8
Transfer to inventory	—	(1.5)	—	(1.5)
Reclassification of asset	(0.2)	(2.2)	2.4	—
Disposals	—	(38.8)	(1.3)	(40.1)
Exchange adjustment	—	(0.1)	—	(0.1)
At 30 September 2013	3.1	6.4	14.2	23.7
Depreciation				
At 1 October 2012	1.7	34.1	7.9	43.7
Charge for year	0.3	5.3	1.9	7.5
Reclassification of asset	—	(0.6)	0.6	—
Disposals	—	(35.4)	(1.0)	(36.4)
Exchange adjustment	—	(0.1)	—	(0.1)
At 30 September 2013	2.0	3.3	9.4	14.7
Net book value at 30 September 2013	1.1	3.1	4.8	9.0
Cost				
At 1 October 2011	2.1	133.4	11.6	147.1
Additions	1.2	7.4	1.4	10.0
Transfer to inventory	—	(0.6)	—	(0.6)
Reclassified as intangible asset	—	—	(1.5)	(1.5)
Disposals	—	(92.1)	(0.5)	(92.6)
Exchange adjustment	—	(0.8)	—	(0.8)
At 30 September 2012	3.3	47.3	11.0	61.6
Depreciation				
At 1 October 2011	1.2	96.8	7.8	105.8
Charge for year	0.5	15.5	0.8	16.8
Reclassified as intangible asset	—	—	(0.5)	(0.5)
Disposals	—	(77.7)	(0.2)	(77.9)
Exchange adjustment	—	(0.5)	—	(0.5)
At 30 September 2012	1.7	34.1	7.9	43.7
Net book value at 30 September 2012	1.6	13.2	3.1	17.9

Medical devices refer to retinal examination equipment being used or expected to be used under operating lease agreements. Medical devices are depreciated from the point of activation at the relevant customer site. In the case of a device that is removed from one customer site, upgraded and relocated to a new customer site, depreciation is recalculated to write off the remaining net book value of that device together with the additional capitalised costs relating to the upgrade and installation over the remaining useful economic life of the asset. Disposals primarily relates to devices where the remaining net book value is recognised as cost of goods sold as a result of the existing customer purchasing the device outright or renewing a rental contract as a finance lease.

The reclassification is in relation to retinal examination equipment now being used in clinical trials, demonstration and marketing devices as opposed to operating leases.

The Group has reviewed the economic useful lives of all assets and has determined that certain elements of medical devices (for example installation costs, computer and other peripherals) have a useful economic life of between two and five years depending on the specific circumstances of the assets, including the period over which the medical device is expected to be maintained at a particular customer site.

These peripheral components do not have a cost that is significant in relation to the total cost of the device and the medical device itself is still considered to have a useful economic life of between two and five years.

The carrying value of plant and equipment and medical devices held subject to finance lease obligations at 30 September 2013 was \$0.5m (2012: \$1.9m) for the Group and \$nil (2012: \$nil) for the Company. Legal title to the leased assets transfers to the debt provider as security for the term of the agreement.

11 INTANGIBLE ASSETS

	<i>Development costs</i> \$m	<i>Software costs</i> \$m	<i>Licences and relationship costs</i> \$m	<i>Goodwill costs</i> \$m	<i>Total</i> \$m
Cost					
At 1 October 2012	34.1	5.1	7.0	25.1	71.3
Additions – internal development	0.9	-	-	-	0.9
Additions – purchased externally	-	0.2	-	-	0.2
Disposals	-	(0.6)	-	-	(0.6)
At 30 September 2013	35.0	4.7	7.0	25.1	71.8
Accumulated amortisation					
At 1 October 2012	16.0	3.9	4.3	-	24.2
Amortisation in year	3.0	0.5	0.9	-	4.4
Impairment (Note 4)	1.4	-	-	-	1.4
Disposals	-	(0.5)	-	-	(0.5)
At 30 September 2013	20.4	3.9	5.2	-	29.5
Net carrying amount at 30 September 2013	14.6	0.8	1.8	25.1	42.3
Cost					
At 1 October 2011	21.1	3.3	6.0	10.5	40.9
Additions – internal development	6.4	0.3	-	-	6.7
Additions – purchased externally	6.6	-	1.0	14.6	22.2
Additions – reclassified from tangible assets	-	1.5	-	-	1.5
At 30 September 2012	34.1	5.1	7.0	25.1	71.3
Accumulated amortisation					
At 1 October 2011	10.3	2.9	0.6	-	13.8
Amortisation in year	5.7	0.5	1.2	-	7.4
Additions – reclassified from tangible assets	-	0.5	-	-	0.5
Impairment (Note 4)	-	-	2.5	-	2.5
At 30 September 2012	16.0	3.9	4.3	-	24.2
Net carrying amount at 30 September 2012	18.1	1.2	2.7	25.1	47.1

The Group capitalised \$0.9m (2012: \$6.7m) of expenditure incurred on intangible assets and acquired intangible assets of \$nil (2012: \$22.2m) as part of the business combination.

The main development asset relates to Daytona which is carried at \$7.3m (2012: \$9.5m) and has a remaining useful economic life of six years.

On 13 December 2010, the group acquired 100% of the share capital of Opto Global Holdings Pty Ltd for \$14.3m. At that date, the fair value of the net assets and liabilities in Opto Global equalled \$3.8m and consequently there is goodwill of \$10.5m. The Group acquired the trade and assets of the instrumentation division of OPKO Health Inc on 11 October 2011. The fair value of the purchase consideration was \$26m; at the date of acquisition the fair value of net assets equated to \$11.4m and therefore goodwill of \$14.6m.

The goodwill, acquired through business combinations, has been allocated to the groups of cash-generating units that are expected to benefit from the synergies of the acquisition. Optos has defined two cash-generating units which are equivalent to the two operating segments, Americas and the International. The goodwill has been allocated \$12.5m to Americas and \$12.6m to the International based on the expected benefits that will arise from the acquisition.

For the purpose of impairment testing, goodwill is reviewed at the operating segment level.

In assessing whether goodwill has been impaired, the carrying value of the operating segment (including goodwill) is compared with the recoverable amount of the operating segment. The recoverable amount is based on value in use using discounted risk-adjusted projections of the Group's pre-tax cash flows based on the future projections in line with the overall strategy. The projection is based on forward plans for the next five years with a perpetual 1% increase for future years on the basis the business expects to continue to trade. These projections are approved by senior management.

For each operating segment we use an appropriate discount rate reflecting those risks and tax effects. In arriving at the appropriate discount rate for each group of cash flows, we adjust the Group's post-tax weighted average cost of capital of 8% to reflect the impact of relevant risks, the time value of money and tax effects. The weighted average pre-tax discount rate used was between 11% and 12%.

As a further check, we compare our market capitalisation to the book value of our net assets and this indicates significant surplus at 30 September 2013.

The Group has also performed sensitivity analysis calculations on the projections. The Directors have concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

12 FINANCE LEASE RECEIVABLES

	2013 \$m	2012 \$m
Within one year	35.3	29.1
Later than one year and not later than five years	58.9	60.9
Later than five years	1.0	1.0
Allowance for doubtful accounts	(0.4)	-
	94.8	91.0
Less: finance income allocated to future periods	(8.6)	(8.8)
Present value of minimum lease payments	86.2	82.2
Within one year	30.9	25.0
Later than one year and not later than five years	54.3	56.2
Later than five years	1.0	1.0
	86.2	82.2
Included within:		
Non-current assets	55.5	57.2
Current assets	31.1	25.0
Allowance for doubtful accounts	(0.4)	-
	86.2	82.2

	2013 \$m	2012 \$m
Ageing of impaired but not yet past due finance lease receivables:		
Within one year	(0.2)	-
Later than one year and not later than five years	(0.2)	-
Later than five years	-	-
	(0.4)	-

During the year the Group recognised finance lease agreements with customers totalling \$33.9m. Variable rentals from finance leases amounted to \$5.0m. The average effective interest rate in relation to finance leases is 6.0%.

13 INVENTORIES

	2013 \$m	2012 \$m
Raw materials, spares and consumables	17.3	21.8
Work in progress	1.6	1.2
Medical devices for sale	15.7	6.1
	34.6	29.1

14 TRADE AND OTHER RECEIVABLES

	2013 \$m	2012 \$m
Trade debtors	22.7	26.3
Allowance for doubtful debts	(2.3)	(1.3)
	20.4	25.0
Amounts due from Group undertakings	—	—
Value-added tax recoverable	1.7	0.9
Prepayments	2.3	3.4
Other receivables	0.6	0.2
	25.0	29.5

18 CALLED UP SHARE CAPITAL

	2013 Number (million)	2012 Number (million)
Equity share capital		
Authorised share capital		
Ordinary shares of 2p each	90	90

The Company has one class of ordinary share which carries no rights to fixed income.

	2013	2012
At 1 October, ordinary shares of 2p each issued and fully paid up	71,589,046	71,263,926
Exercise of employee share options	622,887	325,120
At 30 September, ordinary shares of 2p each	72,211,933	71,589,046

	Share capital 2013 \$m	Share premium 2013 \$m	Share capital 2012 \$m	Share premium 2012 \$m
Consideration received on issue of shares				
Issue of ordinary share capital for acquisition	-	-	-	-
Exercise of employee share options	0.1	0.3	-	0.3
Total	0.1	0.3	-	0.3
Consideration received	0.1	0.3	-	0.3

19 RELATED PARTY TRANSACTIONS

COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2013 \$m	2012 \$m
Short-term employee benefits	3.2	3.6
Post-employment benefits	0.3	0.2
Termination payments	0.3	0.3
Share-based payments	0.1	0.1
	3.9	4.2

There were ten (2012: eleven) key management personnel in 2013.

20 PRINCIPAL RISKS AND UNCERTAINTIES

The principal are the most significant risks that may adversely affect our business strategy, financial position or future performance. It is not possible to identify every risk that could affect our business, and the actions taken to mitigate the risks described below cannot provide absolute assurance that a risk will not materialise.

Section 1: Business Risks

Principal risk	Mitigating factors	Status
<p><i>Market success of new products</i> Success and uptake of Daytona (and future derivatives of it) in our key markets is critical to the long term growth of the Company.</p>	<p>The Daytona device has been developed to deliver practitioner and patient benefit, including: the same widefield view of the retina; auto-fluorescent imaging; new software; robust and smaller size allows use regardless of practice size or physical / climatic environment.</p>	<p>Reducing – although we had some software issues in the first half of the year, these have been resolved. In the year the demand for Daytona has been strong and we expect this to continue.</p> <p>The product pipeline is well developed and progressing to plan.</p>
<p><i>Product portfolio risk</i> The Company derives the majority of its revenue from its P200 and P200C medical devices. There is a risk that success of Daytona could result in significantly reduced demand for these products.</p>	<p>The Company derives an increasing share of revenue from other products, in particular Daytona. Pricing programmes have been established in the market place to extend the life of these products. In the medium term it is expected that Daytona will be the most significant product.</p>	<p>Stable – we have seen reduced sales of P200/Dx devices. However we continue to sell them and most Daytonas have gone to new customers rather than to existing. The impact of the risk is reducing as Daytona becomes more established.</p>
<p><i>Market concentration</i> The Company currently generates most of its revenue in the optometry sector within North America.</p>	<p>The Company is investing in direct sales and distributor relationships outside North America, as well as building sales capability for ophthalmology and other specialist markets.</p>	<p>Reducing – the growth in the International customer base has continued and International now accounts for 30% of revenue.</p> <p>We have made good progress in the ophthalmology sector but optometry remains the dominant market.</p>

Section 2: Operations

Principal risk	Mitigating factors	Status
<p><i>Device complexity</i> The Company's devices are complex, and growth is dependent on it being able to manufacture and service its devices in a cost-effective and repeatable way. Reliability issues would clearly have an impact on reputation and cost.</p> <p>Software is becoming increasingly important in product performance.</p>	<p>The Daytona design is modular, relies on readily available components and technologies and is, therefore, easier to manufacture and maintain than existing products.</p> <p>Where a product is single-sourced, the Company seeks to hold sufficient inventories to manage expected demand.</p> <p>We have an internal software team and a separate software validation team to fully test before release.</p> <p>We are continuing to strengthen both our quality and customer support processes.</p>	<p>Stable – we did see reliability issues in the first half of FY13 relating Daytona software.</p> <p>Corrective actions were put in place to fix the issues but also to review the validation and verification processes to prevent future issues.</p>
<p><i>Daytona cost reduction</i> The inability to deliver the target Daytona cost reduction has a material impact on the operational margin as well as the potential to limit future volume sales.</p>	<p>The R&D and Operations teams are now under a single manager and working closely together to deliver this saving. A clearly defined roadmap has been established to deliver a reduced Daytona product cost.</p>	<p>New – we did not deliver the target cost in FY13 but a clear plan is in place which will deliver reduced costs in FY14.</p>
<p><i>Technology and competition</i> If a third party produces a more advanced device with improved functionality, or a similar device with significantly lower build costs, this could have a material adverse effect on the Company's business.</p>	<p>The Company continually develops the quality and functionality of its products, as well as investing approximately 5% of revenue per annum in R&D to bring new products to market. The Company has also invested in demonstrating the clinical efficacy and superiority of its devices.</p>	<p>Increasing – in the year a competitor launched a lens which increased the field of view on their device. However it is limited in application and the field of view remains substantially less than Optos.</p>

Section 3: Regulatory

Principal risk	Mitigating factors	Status
<p><i>Increasing regulation</i></p> <p>The Company's medical devices are subject to strict US Federal Food and Drug Administration ("FDA") regulations and the requirements of similar foreign regulatory bodies. Failing to satisfy regulatory requirements or regulation changes, could result in the imposition of sanctions, cause the Company to be unable to sell its product in certain markets or face adverse publicity. This risk increases as we enter into more countries which can have different regulatory requirements.</p>	<p>The Company operates to relevant ISO guidelines and monitors and anticipates developments in regulatory thinking.</p> <p>The Company has a dedicated Regulatory team who work closely with both external bodies and internally, particularly with the sales teams, to ensure we are able to meet current and new regulations.</p>	<p>Increasing - The regulatory framework is becoming ever more complex such as with the introduction of the USA Sunshine Act and HIPPA, and ROSH compliance within the EU</p> <p>We continue to monitor and react as required to the meet the changing requirements.</p>
<p><i>Litigation risk</i></p> <p>Technology-based companies are frequently subject to litigation with respect to patent and other intellectual property rights. Any litigation to determine the validity of third-party infringement claims or defend the Company's Intellectual Property could, at a minimum, be costly. The Company's business exposes it to the risk of certain litigation. For example, a patient suffering harm during the image process or the Company's retinal image system not identifying an underlying medical problem.</p>	<p>The Company believes the core patent protection around its product is strong and is not aware of any significant actual or pending suits. The Company does not offer diagnostic or treatment services and its customers are all qualified eyecare clinicians who are fully trained in the use and interpretation of the optomap® product. The Company maintains product liability insurance although there can be no certainty the insurance coverage would be sufficient to meet the cost of any claims.</p>	<p>Stable – there have been no substantive challenges to our IP position.</p>

Section 4: Financial Risk

Principal risks	Mitigating factors	Status
<p><i>Consumer pressures</i></p> <p>In common with other consumer businesses, the Company is subject to pricing pressures and relies in part on reimbursement agreements with insurers and government health authorities. The Company is subject to evolving healthcare-related taxes imposed by government agencies.</p>	<p>The near-term success of the Company's business depends on consumers understanding the benefit of regular optomap® examinations at the price offered by the Company and healthcare professionals. The Company seeks to drive adoption and awareness of its product through strong educational programmes and compelling evidence from clinical studies.</p>	<p>Stable – the continued growth in new customers demonstrates that customers and consumers increasingly understand the benefit of the optomap® examinations.</p> <p>A Medical Device Tax has been introduced in the US which we have dealt with during the course of FY13.</p>
<p><i>Economic environment</i></p> <p>The Company's operating results and financing capacity could be adversely affected by the current world economic outlook. This, combined with a relatively new product, can make it difficult to forecast and therefore plan accordingly. This risk is heightened as, in recent years a high proportion of the profits have been delivered in the last quarter.</p> <p>This can lead to volatility and put pressure on the Company's financing arrangements including meeting bank covenants.</p>	<p>The Company offers customers alternative ways to access its technology, including pay-per-patient rental, fixed rental, rent-to-own and outright purchase.</p> <p>The Company benefits from good visibility of secured forward revenues and cash through service and rental contracts, the latter typically having a term of around three years.</p> <p>We have in place forecasting and reporting processes to mitigate the planning risk.</p> <p>The Company has financing in place and it closely monitors its covenant compliance.</p>	<p>Stable – although we have seen difficult economic conditions in Europe, we have continued to grow the installed base.</p> <p>We have entered into partnerships with third party financing companies to facilitate customers' outright purchase. We have seen reduced de-installs in the year. We have updated the commission plan with the aim of flattening revenue where demand allows.</p> <p>During the year the Company has raised both debt finance and vendor finance demonstrating the ability to raise finance and strong relationships with our finance providers.</p>
<p><i>Exchange rate risk</i></p> <p>The Company operates in several countries and currencies and its results are impacted by changes in currency exchange rates.</p> <p>The Company reports its results in US\$, the currency in which the majority of its revenues and costs arise.</p>	<p>The Group monitors its non-US\$ foreign currency exposure. Wherever possible the majority of cash balances are maintained in US\$ to mitigate the impact of currency fluctuations.</p>	<p>Increasing – due in particular to the growth in the Australian business, we have increasing exposure largely relating to intercompany balances on the balance sheet. As we have seen in FY13 currency movements can create material and adverse translation costs.</p>

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

The Directors together confirm that to the best of their knowledge:

The financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and

The Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Roy Davis Chief Executive Officer

Rob Kennedy Chief Financial Officer