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Venture Life Group PLC
29 September 2015

VENTURE LIFE GROUP PLC

("Venture Life" or the "Group")

Unaudited interim results for the six months ended 30 June 2015

Momentum continues to build

Bracknell, UK - 29 September 2015: Venture Life Group plc (AIM: VLG), the international consumer products group addressing the self-care needs of the ageing population, presents its unaudited interim results for the six months ended 30 June 2015.

Financial highlights:
- Revenues increased to £4.4 million (H1 2014: £3.1 million)
- Gross profit increased to £1.5 million (H1 2014: £1.2 million)
- Loss before tax, amortisation and exceptional costs increased to £0.42 million (H1 2014: loss of
£0.23 million)
- Cash at period end of £3.3 million (31 December 2014: £4.9 million)

Commercial highlights:
- 30 year exclusive distribution agreement signed with the Chinese retailer Gialen Group Co. Ltd ("Gialen") to sell a range of skin-care products in China under Venture Life's Lubatti brand with first order and payment equivalent to €0.5m (50% of the first order) received
- Exclusive distribution agreements signed for Lissio HA in Slovakia and Original Bioscalin in Taiwan
- Disposal of a number of trademarks to an existing customer in return for a cash payment, sales-based milestone payments and guaranteed additional manufacturing business
- 10 year agreement signed with a Swiss healthcare company to formulate and manufacture an onychomycosis product
- Commenced marketing of Venture Life's internally developed new women's health brand - *vonalei*™ - with first distribution agreement signed post-period end in Romania

Post-period end highlights:
- Four long term exclusive distribution agreements signed across four brands, including in India for Original Bioscalin
- First consignment of Lubatti products ready to ship to China, with second order received and retail launch planned by Gialen for Q4 2015
- Selected Venture Life products now available to buy on-line in the UK following a tie-up with AXA

Commenting on the results, Jerry Randall, Chief Executive Officer of Venture Life, said:

"I am pleased to report that the IPO and acquisition of Biokosmes continue to deliver tangible benefits for the Group. The investment in our manufacturing capabilities has led to the signing of the distribution agreement with Gialen, the disposal of certain trademarks for consideration which includes additional manufacturing volumes, and the signing of a long-term agreement with a Swiss healthcare company, all of which are beginning to translate into additional revenue for the Group.

"Since the start of 2015, and in line with our strategy, we have also signed seven new exclusive distribution agreements, including in China and India, and have added a new suite of products in women's health to our Brands portfolio. Good progress has been made in registering Lubatti products for the Chinese market and we await registration of a further eight products following which manufacturing and shipping will be completed. In addition, we have extended and created a number of partnerships with both existing and new customers at Biokosmes thereby increasing utilisation and plant efficiency. In each part of the business momentum is building towards long term, sustainable growth."

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Non-Executive Chair's and Chief Executive Officer's Statement

Overview

The first half of 2015 saw good progress towards our strategic objectives of growing and developing the Group and delivering near-term profitability, and this has continued since the period end. We have signed some significant partnering deals for the Group's Brands, including in two of the world's largest markets, China and India, and we have been investing in our Italian business which we expect to deliver further growth in 2016.

Commercial review - Brands

Our Brands division has built on the achievements of 2014, benefitting from the service and product offering the Group can provide its customers as an integrated healthcare products company. This is well exemplified by the Group securing a long term exclusive distribution partnership with a Chinese retailer, Gialen, to sell Venture Life's Lubatti range of skin care products in China.

The retail launch of Lubatti in China by Gialen is scheduled for Q4 2015 with the seven products already approved by the China Food and Drug Administration expected to comprise the launch products. A further eight products are still in registration with the expectation that all 15 products will have been shipped to China by the end of 2015 or early in 2016.

We have already manufactured the first products for China and received payment up front (equivalent to €0.5m) for 50% of the first order. We have also received a second order and with Gialen owning over 1,300 stores selling skin care and cosmetic products, and having an expanding retail estate, we are confident about the long-term growth prospects of the Lubatti brand in China.

Other exclusive distribution agreements signed in the period include for Lissio HA in Slovakia and for Original Bioscalin in Taiwan, and since the period end we have also concluded our first exclusive distribution agreement in India. Our partner, Unichem Laboratories, is one of India's leading pharmaceutical companies, and the agreement covers our Original Bioscalin hair loss range. We expect market launch in India of this product in 2016, depending on timing of registration.

We have also signed three further deals - in Bulgaria and Jordan for Procto-eze, and in Romania for our new women's health range *vonalei*™, our first deal on this new product range. This range of seven products addresses a number of common conditions, such as bacterial vaginosis, candida and vaginal atrophy. We anticipate the first products will be launched in Romania in H1 2016.

We are pleased to report that some of our products are now available to buy in the UK for the first time. We have partnered with Active+ (from AXA) on a non-exclusive basis, allowing some of our key products to become available on their newly launched website www.myactiveplus.com. Active+ is a website designed to help AXA's 13 million UK customers improve their fitness, health and wellbeing.

Our business development focus for the first half of the year has been on key international markets such as China and India where deals were successfully completed. In the EU markets progress in signing deals has been slow, in part because we have been placing more emphasis on entering agreements with stronger partners with better national reach and greater volume potential.

In addition, and in line with our strategy of maximising value from our brands, we sold a number of our Bioscalin country trademarks to one of our existing customers, Giuliani. These trademarks covered territories where we felt that Giuliani had a better opportunity to exploit the trademarks, particularly given Giuliani's success with the Bioscalin trademark and product in Italy, which Biokosmes already manufactures.

We have retained the Original Bioscalin trademarks for certain territories, including India and China, and as described earlier, we have now signed an exclusive distribution agreement in India.

We have continued to pursue partnering opportunities for our Benecol food supplement. Although the Benecol capsules were launched at the end of 2014 in Malta, a test market where the functional food product is also sold, it has proved challenging to partner Benecol in the soft gel capsule form more widely as the dosing requirement for Benecol of 2g of plant stanol per day requires at least four capsules to be taken daily. Consequently, we have been developing alternative forms of Benecol which we anticipate being ready to market to potential partners in H1 2016.

New product development continues to be a key part of our business, and we have an active R&D programme. The healthcare benefits of probiotics and prebiotics have been increasingly recognised in recent years, and we are delighted to be working on a strategic collaboration with OptiBiotix Health plc with a view to developing new products together.

Commercial review - Manufacturing

Our Manufacturing business continues to perform well. In addition to continuing to serve long-standing customers, we have been working with new and existing customers during 2015 in order to develop new products to be manufactured at the facility, with the benefit of improving overall utilisation. This included the signing of a 10 year agreement to formulate and manufacture a product for onychomycosis for an existing Swiss customer, and we expect this to begin contributing to Group revenues in Q4 2015. We have purchased and installed specific machinery for this contract, machinery which we can also utilise for the manufacture of other products as we achieve greater scale, and we have also upgraded other aspects of our manufacturing facilities.

Biokosmes now manufactures all of the Group's branded topical products, including the entire Lubatti skin-care range, and we anticipate the increasing demand for the Group's branded products manufactured by Biokosmes to contribute to an increase in the Group's manufacturing margins in the future. With a significant amount of existing production capacity still available at our facility we are working hard to put more volume through the plant, for both Venture Life and other customers. We expect increased volumes to have a positive impact over time on the overall gross margin of the Group.

Financial review

Statement of comprehensive income

Group revenues for the period were £4.4 million, compared with £3.1 million for the same period in 2014, an increase of 39%. At constant currency, revenue growth would have been 55%. The increase is due to the consolidation of Biokosmes revenues for the full six month period, compared with a three month period in 2014, following its acquisition at the end of March 2014.

Gross profit of £1.5 million was generated, representing a gross margin of 35%. This compares to gross margins of 39% for the same period in 2014, a period during which only three months of Biokosmes gross profit was recognised.

The loss before tax, amortisation and exceptional costs for the period increased to £0.42 million (H1 2014: loss of £0.23 million). This was largely due to an increase in sales and marketing costs within the Brands division.

Statement of financial position and cash flow

Cash and cash equivalents stood at £3.3 million as at 30 June 2015 (31 December 2014: £4.9 million). Total debt stood at £3.2 million (30 June 2014: £3.2 million, 31 December 2014: £3.9 million). The reduction in debt since 31 December 2014 arose in part from the repayment of some debt as part of the debt refinance arranged in November 2014, and in part from the weakening euro since all the Group's debt is denominated in euros. Net cash used in operating activities was £1.1 million, compared with £1.4 million in the six months to 30 June 2014.

Outlook

With seven new distribution agreements signed in the year to date, we have made further progress towards growing the distribution network and revenues for our branded products. We have also put in place a number of new manufacturing agreements at our Italian facility. Both are expected to add to revenues in 2016. The momentum in the business to which we referred earlier this year continues to build. We remain optimistic about the Group's prospects as we work towards utilising the capacity at our Italian facility, growing revenues and gross margins, and achieving near term profitability.

We also continue to review a number of interesting business and product acquisition opportunities. The Board operates very strict criteria to ensure any future acquisitions will be as successful as our acquisition of Biokosmes.

Lynn Drummond - Non-Executive Chair
Jerry Randall - Chief Executive Officer

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015	Six months ended 30 June 2014 Restated	Year ended 31 December 2014
		(Unaudited)	(Unaudited)	(Audited)
		£'000	£'000	£'000
Revenue	5	4,372	3,146	7,189
Cost of sales		(2,841)	(1,913)	(4,535)
Gross profit		**1,531**	**1,233**	**2,654**
Operating expenses		(2,063)	(1,545)	(3,373)
Amortisation of intangible assets	6	(338)	(174)	(508)
Total administrative expenses		**2,401**	**1,719**	**3,881**
Other income		27	19	58
Operating loss before exceptional items		**(843)**	**(467)**	**(1,169)**
Exceptional expenses	7	-	(484)	(449)
Operating loss		**(843)**	**(951)**	**(1,618)**
Finance income		136	88	156
Finance costs		(48)	(23)	(81)
Loss before tax		**(755)**	**(886)**	**(1,543)**
Tax	8	(170)	(105)	(27)
Loss for the period attributable to the equity shareholders of the parent		**(925)**	**(991)**	**(1,570)**
Other comprehensive expense which may be subsequently reclassified to the income statement	9	(169)	(587)	(85)
Total comprehensive loss for the period attributable to equity shareholders of the parent		**(1,094)**	**(1,578)**	**(1,655)**
Basic and diluted loss per share (pence) attributable to equity shareholders of the parent	10	(2.69)	(4.69)	(6.01)

Unaudited Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2015

	Note	30 June 2015	30 June 2014 Restated	31 December 2014
		(Unaudited)	(Unaudited)	(Audited)
ASSETS		**£'000**	£'000	£'000
Non-current assets				
Intangible assets		12,689	12,600	12,982
Property, plant and equipment		979	948	975
Available for sale financial assets		-	5	-
		13,668	**13,553**	**13,957**
Current assets				
Inventories		2,043	2,133	1,856
Trade and other receivables		3,357	3,446	3,257
Taxation		-	-	52
Cash and cash equivalents		3,253	511	4,933
		8,653	**6,090**	**10,098**
TOTAL ASSETS		**22,321**	**19,643**	**24,055**
EQUITY & LIABILITIES				
Capital and reserves				
Share capital	12	103	90	103
Share premium account	12	11,826	7,781	11,826
Merger reserve		7,656	7,656	7,656
Foreign currency translation reserve		(254)	(587)	(85)
Share-based payment reserve		351	277	318
Retained earnings		(5,110)	(3,592)	(4,171)
Total equity attributable to equity holders of the parent		**14,572**	**11,625**	**15,647**
Liabilities				
Current liabilities				
Trade and other payables		3,351	3,341	3,335
Interest bearing borrowings		201	436	580
Deferred licence provision		-	20	-
Taxation		122	260	-
Convertible loan notes		42	49	47
		3,716	**4,106**	**3,962**
Non-current liabilities				
Interest bearing borrowings		1,555	1,148	1,723
Deferred licence provision		-	20	-
Convertible loan notes		1,365	1,551	1,507
Statutory employment provision		490	470	528
Other provisions		-	48	-
Deferred tax liability		623	675	688
		4,033	**3,912**	**4,446**
Total liabilities		**7,749**	**8,018**	**8,408**
TOTAL EQUITY & LIABILITIES		**22,321**	**19,643**	**24,055**

Unaudited Interim Condensed Consolidated Statement of Changes in Equity attributable to the equity shareholders of the parent

As at 30 June 2015

	Share capital £'000	Share premium account £'000	Other reserve £'000	Convertible loan note reserve £'000	Foreign currency translation reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014 (Audited)	**51**	**2,668**	**50**	**39**	**-**	**338**	**(2,589)**	**557**
Loss for the period	-	-	-	-	-	-	(991)	(991)
Other comprehensive expense	-	-	-	-	(587)	-	-	(587)
Total comprehensive expense	-	-	-	-	**(587)**	-	**(991)**	**(1,578)**
Issue of share capital	39	6,092	7,606	(39)	-	(150)	-	13,548
IPO and other fund-raising costs recognised through equity	-	(979)	-	-	-	-	-	(979)
Share options charge	-	-	-	-	-	89	-	89
Dividends	-	-	-	-	-	-	(12)	(12)
Balance at 30 June 2014 (Unaudited)	**90**	**7,781**	**7,656**	**-**	**(587)**	**277**	**(3,592)**	**11,625**
Loss for the period	-	-	-	-	-	-	(579)	(579)
Other comprehensive income	-	-	-	-	502	-	-	502
Total comprehensive income/(expense)	**-**	**-**	**-**	**-**	**502**	**-**	**(579)**	**(77)**
Transactions with shareholders:								
Issue of share capital	13	4,045	-	-	-	-	-	4,058
Share options charge	-	-	-	-	-	41	-	41
Balance at 31 December 2014 (Audited)	**103**	**11,826**	**7,656**	**-**	**(85)**	**318**	**(4,171)**	**15,647**
Loss for the period	-	-	-	-	-	-	(925)	(925)
Other comprehensive expense	-	-	-	-	(169)	-	-	(169)
Total comprehensive expense	**-**	**-**	**-**	**-**	**(169)**	**-**	**(925)**	**(1,094)**
Transactions with shareholders:								
Share options charge	-	-	-	-	-	33	-	33
Dividends	-	-	-	-	-	-	(14)	(14)
Balance at 30 June 2015 (Unaudited)	**103**	**11,826**	**7,656**	**-**	**(254)**	**351**	**(5,110)**	**14,572**

Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014

	£'000	£'000	(Audited) £'000
Cash flow from operating activities:			
Loss before tax	(755)	(886)	(1,543)
Finance income	(136)	(88)	(156)
Finance cost	48	23	81
Operating loss	**(843)**	**(951)**	**(1,618)**
Adjustments for:			
- Depreciation of property, plant and equipment	75	25	139
- Amortisation of intangible assets	338	174	508
- Impairment of Available-for-sale assets	-	31	36
- Gain on sale of intangible assets	-	(8)	(9)
- Gain on purchase of PermaPharm AG	-	-	(39)
- Finance cost	(48)	(23)	(81)
- Movement in other provisions	-	17	(17)
- Share-based payment expense	33	89	130
Operating cash flow before movements in working capital	**(445)**	**(646)**	**(951)**
Increase in deferred consideration	-	(3)	(2)
Taxation paid	(23)	(63)	(282)
(Increase)/decrease in inventories	(423)	138	197
Increase in trade and other receivables	(409)	(128)	(236)
Increase/(decrease) in trade and other payables	243	(702)	(950)
Net cash used in operating activities	**(1,057)**	**(1,404)**	**(2,224)**
Cash flow from investing activities:			
Finance income	136	88	156
Proceeds on disposal of intangible assets	-	8	9
Acquisition of subsidiary - net cash acquired	-	700	776
Acquisition of subsidiary - net cash payment	-	(3,313)	(3,313)
Purchases of property, plant and equipment	(114)	(77)	(243)
Development expenditure in respect of intangible assets	(171)	(167)	(346)
Purchases of intangible assets	-	-	(20)
Proceeds on disposal of tangible assets	16	-	3
Net cash used by investing activities	**(133)**	**(2,761)**	**(2,978)**
Cash flow from financing activities:			
Proceeds from issue of ordinary shares	-	5,202	9,630
Transaction costs of issue of shares	-	(807)	(979)
Movements in interest-bearing borrowings	(383)	(128)	1,088
Dividends paid	(14)	(12)	(12)
Net cash from financing activities	**(397)**	**4,255**	**9,727**
Net (decrease)/increase in cash and cash equivalents	**(1,587)**	**90**	**4,525**
Net foreign exchange difference	(93)	(32)	(45)
Cash and cash equivalents at beginning of period	4,933	453	453
Cash and cash equivalents at end of period	**3,253**	**511**	**4,933**

Notes to the Unaudited Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2015

1. Corporate information

The Interim Condensed Consolidated Financial Statements of Venture Life Group plc and its subsidiaries (collectively, the Group) for the six months ended 30 June 2015 ("the Interim Financial Statements") were approved and authorised for issue in accordance with a resolution of the directors on 28 September 2015.

Venture Life Group plc ("the Company") is domiciled and incorporated in the United Kingdom, and is a public company whose shares are publicly traded. The Group's principal activities are the development, manufacture and distribution of healthcare and dermatology products.

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34, 'Interim financial reporting' as adopted by the European Union. The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Consolidated Financial Statements for the year ended 31 December 2014 ("the 2014 Consolidated Financial Statements") which have been prepared in accordance with IFRS as adopted by the European Union.

The financial information contained in the Interim Financial Statements, which is unaudited, does not constitute statutory accounts in accordance with the Companies Act 2006. The financial information for the year ended 31 December 2014 is extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies and on which the auditor issued an unqualified opinion that did not include an emphasis of matter reference or statement made under section 498(2) or (3) of the Companies Act 2006.

3. Accounting policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the 2014 Consolidated Financial Statements.

4. Restatement

As part of the 2014 full year audit the accounting treatment for exceptional expenses relating to admission to AIM and the accounting treatment for the issue of shares in relation to the acquisition of Biokosmes in 2014 were reassessed. As a result of this reassessment, the directors have restated the unaudited accounts for the period to 30 June 2014 so that the accounting treatment for exceptional costs, share premium and merger reserve is aligned with the accounting treatment for these items in the 2014 Consolidated Financial Statements. At 30 June 2014 the realignment resulted in an increase in exceptional costs of £404,000, a reduction in the share premium account of £7,202,000 and an increase in the merger reserve of £7,606,000.

5. Segmental Information

Management has determined the operating segments based on the reports reviewed by the Group Board of Directors (Chief Operating Decision Maker) that are used to make strategic decisions. The Board considers the business from a line-of-service perspective and uses operating profit/(loss) as its profit measure. The operating profit/(loss) of operating segments is prepared on the same basis as the Group's accounting operating profit/(loss).

In line with the 2014 Consolidated Financial Statements, the operations of the Group are segmented as Brands, which includes sales of healthcare and skin-care products under distribution agreements, and Manufacturing.

5.1 Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segment.

	Brands	**Manufacturing**	**Intercompany eliminations**	**Consolidated Group**
	£'000	**£'000**	**£'000**	**£'000**
Six months to 30 June 2015				
Revenue				
External sales	138	4,234	-	4,372
Inter-segment sales	-	110	(110)	-
Total revenue	**138**	**4,344**	**(110)**	**4,372**
Results				
Operating (loss)/profit before exceptional items and excluding central administrative costs	**(610)**	**720**	**-**	**110**

	Brands	**Manufacturing**	**Intercompany eliminations**	**Consolidated Group**
	£'000	**£'000**	**£'000**	**£'000**
Six months to 30 June 2014				
Revenue				
External sales	133	3,013	-	3,146
Inter-segment sales	-	48	(48)	-
Total revenue	**133**	**3,061**	**(48)**	**3,146**
Results				
Operating (loss)/profit before exceptional items and excluding central administrative costs	**(413)**	**702**	**-**	**289**

	Brands	Manufacturing	Intercompany eliminations	Consolidated Group
	£'000	**£'000**	**£'000**	**£'000**
Year to 31 December 2014				
Revenue				
External sales	675	6,514	-	7,189
Inter-segment sales	-	224	(224)	-
Total revenue	**675**	**6,738**	**(224)**	**7,189**
Results				
Operating (loss)/profit before exceptional items and excluding central administrative costs	**(544)**	**999**	**-**	**455**

The reconciliation of segmental operating loss to the Group's operating loss before exceptional items excluding central administrative costs is as follows:

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
	£'000	£'000	£'000
Operating profit before exceptional items and excluding central administrative costs	110	289	455
Central administrative costs	(953)	(756)	(1,624)
Exceptional items	-	(484)	(449)
Operating loss	(843)	(951)	(1,618)
Net finance income	88	65	75
Loss before tax	**(755)**	**(886)**	**(1,543)**

6. Amortisation of intangible assets

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
Amortisation of:	**£'000**	£'000	£'000
Acquired intangible assets (a)	(284)	(142)	(426)
Patents, trademarks and other intangible assets	(36)	(30)	(68)
Capitalised development costs	(18)	(2)	(14)
	(338)	**(174)**	**(508)**

(a) Customer relationship and product formulation intangible assets acquired as part of the acquisition of Biokosmes in 2014. These intangible assets are being amortised over five years to 31 March 2019.

7. Exceptional items

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
	£'000	£'000	£'000
Expense relating to admission to AIM	-	(404)	(404)
Costs incurred in acquisition of Biokosmes	-	(57)	(57)
Impairment of available for sale investments	-	(31)	(36)
Gains on sales of trademarks	-	8	9
Gain on purchase of PermaPharm AG	-	-	39
Total exceptional items	**-**	**(484)**	**(449)**

There were no exceptional costs incurred in the six months to 30 June 2015.

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the Interim Condensed Statement of Comprehensive Income are as follows:

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
	£'000	£'000	£'000
Current income tax	216	198	216
Adjustment in respect of earlier years	-	-	(37)
Deferred income tax expense related to origination and reversal of timing differences	(46)	(93)	(152)
Income tax expense recognised in Statement of Comprehensive Income	**170**	**105**	**27**

The Group has not recognised the deferred tax asset on losses made by the Brands segment as although management is expecting the Group to become profitable, it is not currently certain when there will be sufficient taxable profits against which to offset such losses. At the period end the estimated tax losses amounted to £4,559,000 (30 June 2014: £3,080,000; 31 December 2014: £3,429,000).

9. Other comprehensive expense

Other comprehensive expense represents the foreign exchange difference on the net investment in Biokosmes, the functional currency of which is Euros, which is shown as a movement in the foreign currency translation reserve between the date of acquisition of Biokosmes, when the GBP/EUR rate was 1.193 and the balance sheet date rate at 30 June 2015 of 1.416 (1.278 at 31 December 2014 and 1.249 at 30 June 2014), and is an amount that may subsequently be reclassified to profit and loss.

10. Loss per share

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 30 December 2014 (Audited)
Weighted average number of ordinary shares in issue	34,403,534	21,135,209	26,130,167
Loss attributable to equity holders of the Company (£'000)	(925)	(991)	(1,570)
Basic and diluted loss per share (pence)	(2.69)	(4.69)	(6.01)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for calculating basic earnings per share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS 33.

11. Dividends

Amounts recognised as distributions to equity holders in the period:

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
	£'000	£'000	£'000
Final dividend	**14**	**12**	**12**

12. Share capital and share premium

	Ordinary shares of 0.3p each	Ordinary Shares	Share premium	Merger reserve
	No.	£'000	£'000	£'000
Audited at 1 January 2014	16,961,424	51	2,668	50
Share issue	12,942,110	39	5,113	7,606
Unaudited at 30 June 2014	**29,903,534**	**90**	**7,781**	**7,656**
Share issue	4,500,000	13	4,045	-
At 31 December 2014 and 30 June 2015	**34,403,534**	**103**	**11,826**	**7,656**

There were no movements in share capital or share premium between 31 December 2014 and 30 June 2015.

On 28 March 2014 the shares in Venture Life Group plc were admitted to trading on AIM. The IPO raised gross proceeds of £5.4 million through the issue of 4,954,585 new ordinary shares. However, significant non-recurring costs were incurred in relation to the IPO and in a change to the treatment adopted in the Group's Interim Results for the six months to 30 June 2014 announced on 29 September 2014, £404,000 of costs relating to the IPO and fund-raising have been expensed using the allocations method (previously reported as a deduction to share premium). Total IPO costs amounted to £1,383,000. Of this, £404,000 has been treated as exceptional IPO costs and charged to income during the period, with the balance of £979,000 being offset against the share premium account.

13. Related party transactions

The following transactions with related parties are considered by the Directors to be significant for the interpretation of the Interim Financial Statements for the six month period to 30 June 2015 and the balances with related parties at 30 June 2015 and 31 December 2014:

The Company issued convertible loan notes with a face value of €2,000,000 and which pay an annual coupon of 3% to the vendors of Biokosmes including Gianluca Braguti, a Director of the Company. Mr Braguti's interest in the convertible loan notes amounted to €1,980,000. Interest is accrued on the loan notes at 3% per year and is paid in October and April each year.

Under the terms of the Share Purchase Agreement dated 28 November 2013 and signed between the Company and the vendors of Biokosmes, one of whom was Gianluca Braguti, the vendors agreed to indemnify the Company in full for any net liability arising from certain litigation cases which had not settled at the time of completion of the acquisition on 27 March 2014. At the period end the amount due to the Company under the indemnity totalled €250,935, of which Gianluca Braguti's liability is €248,426. Settlement of this liability will be made when the final outstanding case is concluded.

Key transactions with other related parties

Services purchased from Biokosmes Immobiliare Srl, a company 70% owned by Gianluca Braguti, a director and shareholder of the Group, totalled £181,392 in the six months to 30 June 2015 (£322,742 in the six months to 30 June 2014). At 30 June 2015, the Group owed Biokosmes Immobiliare Srl £671,868 (£718,306 at 31 December 2014).

Services purchased from BMG Pharma Srl, a company 15% owned by Gianluca Braguti, a director and shareholder of the Group, totalled £23,136 (nil in the six months to 30 June 2014). At 30 June 2015, the Group owed BMG Pharma Srl nil (at 31 December 2014: £37,694). Services provided to BMG Pharma srl totalled £115,826 in the six months to 30 June 2015 (£268,627 in the six months to 30 June 2014). At 30 June 2015, BMG Pharma srl owed the Group £148,195 (£167,718 at 31 December 2014).

These related party relationships became part of the Group upon the acquisition of Biokosmes in March 2014. However, figures for the whole six month period to 30 June 2014 have been used to give a meaningful comparison to the six month period to 30 June 2015 for related party income and expenses in this note.

14. Financial instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at:

			30 June 2015		30 June 2014			31 December 2014	
	Loans and receivables	Available for sale	**Total financial assets**	Loans and receivables	Available for sale	**Total financial assets**	Loans and receivables	Available for sale	**Total financial assets**
	£'000	£'000	**£'000**	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Financial									

assets:									
Trade and other receivables (a)	3,279	-	**3,279**	3,352	-	**3,352**	3,185	-	**3,185**
Cash and cash equivalents	3,253	-	**3,253**	511	-	**511**	4,933	-	**4,933**
Total	**6,532**	-	**6,532**	**3,863**	-	**3,863**	**8,118**	-	**8,118**

	30 June 2015			30 June 2014			31 December 2014		
	Designated to FVTPL	Other liabilities (amortised cost)	**Total financial liabilities**	Designated to FVTPL	Other liabilities (amortised cost)	**Total financial liabilities**	Designated to FVTPL	Other liabilities (amortised cost)	**Total financial liabilities**
	£'000	£'000	**£'000**	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Financial liabilities:									
Trade and other payables (b)	-	1,868	**1,868**	-	2,024	**2,024**	-	2,140	**2,140**
Deferred licence provision	-	-	**-**	-	40	**40**	-	-	**-**
Convertible loan notes and interest bearing debt	1,407	1,756	**3,163**	1,600	1,584	**3,184**	1,554	2,303	**3,857**
Total	**1,407**	**3,624**	**5,031**	**1,600**	**3,648**	**5,248**	**1,554**	**4,443**	**5,997**

(a) Trade and other receivables excludes prepayments

(b) Trade and other payables excludes accruals and deferred revenue

15. Post balance sheet events

There were no post balance sheet events.

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