

FEEDBACK PLC

Feedback plc ("Feedback", the "Company" or the "Group")

Interim Report for the six months ended 30 November 2014

Chairman's Statement

We are pleased to present the results for the six months ended 30 November 2014. This is the first set of results that includes the trading of the two medical imaging companies, Cambridge Computed Imaging Limited ('CCI') and TexRAD Limited, (TexRAD) acquired in May 2014.

Revenue for the six month period was £229,000 (2013: non trading) and the loss after tax was £219,000. (2013: loss of £471,000). The loss before interest, tax and amortisation was £138,000 (2013: Loss £471,000). The cash balance at 30 November 2014 was £268,000, (2013: £696,000) which was after the payment of certain overdue creditors totalling £189,000 owed by CCI.

During this period, significant progress has been made with CCI achieving ISO 13485, the International Standard relating to quality management systems for organisations involved in the manufacture of medical devices.

TexRAD has been granted a European patent. The Group continues to make progress towards the launch later this year of a commercial version of its TexRAD software for the pharmaceutical trials market which is expected to be achieved following 21 CFR 11 self certification in the second quarter of 2015. We will continue to work with our distributor to gain momentum in this market.

The FDA approval application for the Group's software systems has been a more difficult process than anticipated due to the new procedures. We anticipate that the application will be made during the second quarter of 2015.

The Group has invested in people over the period. Two new staff were appointed during the six months under review, with a further two joining before the year end to prepare the business for commercial sales of the products.

We continue to look to develop the Group's presence in the medical imaging sector through acquisitions and collaborations with research institutions. We can offer software systems and regulatory assistance for new medical imaging techniques which will assist the process of bringing them to market.

2015 is expected to be a year of transition for the Company as it moves from development to commercialisation with its TexRAD product.

Simon Barrell
Chairman

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UNAUDITED CONSOLIDATED INCOME STATEMENT

	6 months to 30 November 2014 £'000	6 months to 30 November 2013 £'000	Year to 31 May 2014 £'000
Revenue	229	-	7
Cost of sales	(42)	-	-
Gross profit	187	-	7
Other operating expenses	(415)	(114)	(314)
Costs associated with the acquisition of subsidiaries	-	-	(164)
Total operating expenses	(415)	(114)	(478)
Operating loss	(229)	(114)	(471)
Losses on disposal of discontinued operations	-	-	-
Finance costs	-	(8)	-
Loss before tax	(229)	(122)	(471)
Tax credit/(expense)	10	-	-
Loss for the period attributable to the equity shareholders of the parent Loss on ordinary activities after tax	(219)	(122)	(471)
Other comprehensive income/(expense)			
Translation differences on overseas operations	-	(14)	(3)
Total comprehensive expense for the period	(219)	(136)	(474)
Basic and diluted earnings per share	2 (0.011p)	(0.09p)	(0.27p)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Translation Reserve	Convertible Debt Option Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 May 2013	327	851	300	(510)	(207)	-	761
Total comprehensive income for the period	-	-	-	(122)	(14)	-	(136)
Balance at 30 November 2013	327	851	300	(632)	(221)	-	625
New shares issued	150	598	-	-	-	-	748
Costs associated with the raising of funds	-	(40)	-	-	-	-	(40)
Share option and warrant costs	-	-	-	14	-	-	14
Convertible debt raised in the year	-	-	-	-	-	189	189
Total comprehensive expense for the period	-	-	-	(349)	11	-	(338)
Balance at 31 May 2014	477	1,409	300	(967)	(210)	189	1,198
Share option and warrant costs	-	-	-	3	-	-	3
Total comprehensive income for the period	-	-	-	(219)	-	-	(219)
Balance at 30 November 2013	477	1,409	300	(1,183)	(210)	189	982

UNAUDITED CONSOLIDATED BALANCE SHEET

	30 November 2014 £'000	30 November 2013 £'000	31 May 2014 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	-	1
Intangible assets	839	-	848
	845	-	849
Current assets			
Trade receivables	160	-	87
Other receivables	73	17	121
Cash and cash equivalents	268	696	874
	501	713	1,082
Total assets	1,346	713	1,931
EQUITY			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	477	327	477
Share premium account	1,409	851	1,409
Capital reserve	300	300	300
Translation reserve	(210)	(221)	(210)
Retained earnings	(1,183)	(632)	(967)
	798	625	1,009
Convertible debt option reserve	189	-	189
Total equity	982	625	1,197
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	70	-	80
Current liabilities			
Trade payables	81	66	225
Other payables	213	22	428
	294	88	653
Total liabilities	364	88	733
Net assets	1,346	625	1,931

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 November 2014 £'000	6 months to 30 November 2013 £'000	Year to 31 May 2014 £'000
Cash flows from operating activities			
Loss before tax	(229)	(122)	(471)
<i>Adjustments for:</i>			
Cost of acquisition of subsidiaries	-	-	164
Share option and warrant charges	3	-	-
Finance charges	-	8	-
Depreciation and amortisation	91	-	-
Foreign exchange difference	-	(14)	3
(Increase)/decrease in trade receivables	(72)	-	-
Decrease/(increase) in other receivables	49	(2)	(80)
(Decrease)/increase in trade payables	(145)	(36)	57
Decrease in other payables	(217)	(412)	(155)
	(291)	(456)	(11)
Net cash used in operating activities	(520)	(578)	(482)
Cash flows from investing activities			
Purchase of tangible fixed assets	(6)	-	-
Purchase of intangible assets	(80)	-	-
Proceeds from sale of assets held for resale	-	940	940
Cash received on purchase of subsidiaries	-	-	65
Cash paid on acquisition of subsidiaries	-	-	(31)
Cash on acquisition of subsidiaries including costs	-	-	(164)
Net cash (used in)/generated from investing activities	(86)	940	810
Cash flows from financing activities			
Interest paid	-	(8)	-
Loan repayment	-	-	(245)
Equity based loan received	-	-	189
Net proceeds from share issue	-	-	260
Net cash generated from financing activities	-	(8)	204
Net movement in cash and cash equivalents	(606)	354	532
Cash and cash equivalents at beginning of period	874	342	342
Cash and cash equivalents at end of period	268	696	874

1. BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union ("IFRS") and expected to be effective at the year end of 31 May 2015. The accounting policies are unchanged from the financial statements for the year ended 31 May 2014.

The information set out in this interim report for the six months ended 30 November 2014 does not comprise statutory accounts within the meaning of section 434 of The Companies Act 2006. The results for the period ended 31 May 2014 are based on the published accounts for that period on which the auditors gave a report which did not contain statements under section 498 of the Companies Act 2006. The accounts for the period ended 31 May 2014 have been filed with the Registrar of Companies.

This interim report was approved by the directors on 13 February 2014.

2 LOSS PER SHARE

Basic earnings per share is calculated by reference to the loss on ordinary activities after and on the weighted average of shares in issue.

	As at 30 November 2014 £'000	As at 30 November 2013 £'000	As at 31 May 2014 £'000
Net loss attributable to ordinary equity holders	(219)	(122)	(471)
Weighted average number of ordinary shares for basic earnings per share	190,746,746	130,946,746	132,912,773
Effect of dilution:			
Share Options	-	-	-
Warrants	-	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	190,746,746	130,946,746	132,912,773
Loss per share (pence) Basic	(0.11)	(0.09)	(0.35)

3 INTANGIBLE ASSETS

	Software £'000	Customer relationships £'000	Patents £'000	Goodwill £'000	Total £'000
Cost					
At 31 May 2013	-	-	-	-	-
Additions	-	-	-	-	-
Disposed on sale of subsidiary	-	-	-	-	-
At 30 November 2013	-	-	-	-	-
Additions	20	-	-	-	20
Acquired with subsidiary	415	100	41	272	828
At 31 May 2014	435	100	41	272	848
Additions	64	-	16	-	80
At 30 November 2014	499	100	57	272	928

Amortisation

At 31 May 2013	-	-	-	-	-
Charge for the period	-	-	-	-	-
At 30 November 2013	-	-	-	-	-
Charge for the period	-	-	-	-	-
At 31 May 2014	-	-	-	-	-
Charge for the period	73	13	4	-	90
As at 31 November 2014	73	13	4	-	90
Net Book Value					
30 November 2014	426	87	53	272	838
At 31 May 2014	435	100	41	272	848
At 30 November 2013	-	-	-	-	-

4 AVAILABILITY OF THE INTERIM REPORT

Copies of the report will be available from the Company's office and also from the Company's website www.fbk.com