Details are given below of an analyst meeting and webcast at 10.00am this morning

12 July 2018 **AIM: RENE**

ReNeuron Group plc
("ReNeuron" or "the Company")

Preliminary Results for the year ended 31 March 2018

ReNeuron Group plc (AIM: RENE), a UK-based global leader in the development of cell-based therapeutics, is pleased to announce its preliminary results for the year ended 31 March 2018.

Operational Highlights

- *CTX* stem cell therapy candidate for stroke disability:
  - Long term data from Phase II clinical trial presented, showing sustained improvements in motor function and reduced levels of disability and dependence
  - IND application approved by FDA to commence a Phase IIb, placebo-controlled clinical trial in the US
  - Patient recruitment expected to commence shortly leading to top-line data at the end of 2019

- hRPC stem cell therapy candidate for retinal diseases:
  - Four patient cohorts treated in ongoing US Phase I/II clinical trial in retinitis pigmentosa (RP)
  - Phase I/II study to be expanded to target patients with less-impaired vision
  - Top line Phase I/II data now expected in mid-2019
  - Phase II study planned in cone-rod dystrophy patients, to run in parallel with planned Phase IIb study in RP

- Exosome nanomedicine platform:
  - Positive pre-clinical data with ExoPr0 exosome therapy candidate demonstrates potential of ExoPr0 to target multiple diseases
  - Initial clinical trial application planned for 2019 in oncology

- US office established in Boston, reflecting the Company's increasing clinical activity in the US

- Increased business development activity in the period due to third party interest in Company's core therapeutic programmes
  - Active discussions ongoing with a number of commercial third parties

- Increased collaborative work in the period to exploit technology platforms beyond core therapeutic programmes

Financial Highlights

- Loss for the period of £17.6 million (2017: loss of £15.6 million)

- Cash used in operating activities of £14.9 million (2017: £12.6 million)

- Cash, cash equivalents and bank deposits at 31 March 2018 of £37.4 million (31 March 2017: £53.1 million)

- 1 for 100 Share Capital Reorganisation completed in the period

- Three further government grants awarded in the period and post-period end, providing funding towards £5.0 million of collaborative work programmes across the Company's therapeutic development programmes

Post-period end

- Further positive pre-clinical data demonstrates that ExoPr0 exosome therapy candidate significantly reduces tumour volume in a variety of *in vivo* models of cancer

- Exclusivity agreement signed with US-based specialty pharmaceutical company regarding potential out-licensing of hRPC technology platform and therapeutic programmes

Commenting on the results, Olav Hellebø, Chief Executive Officer, said:

"During the period, our therapeutic development programmes have continued to progress well. The regulatory approval from FDA to commence a Phase IIb clinical trial in the US with our CTX cell therapy candidate for stroke disability was a significant milestone for ReNeuron and we look forward to dosing the first patient in this study. Dosing has progressed during the period in our ongoing US Phase I/II study with our hRPC cell therapy candidate for retinitis pigmentosa and we have continued to generate and present encouraging pre-clinical data with our ExoPr0 exosome therapy candidate in oncology.

"We now have a physical presence in Boston, US, one of the world's leading biotechnology hubs, where our new US office reflects ReNeuron's increasing clinical activity in this territory. Further, our cell-based technologies and therapeutic programmes have attracted the interest of a number of commercial third parties, leading, initially, to yesterday's separate announcement of an exclusivity agreement with a US specialty pharmaceutical company regarding our hRPC retinal stem cell technology and therapeutic programmes. We hope to be able to conclude a definitive agreement with this company later this year.

"Our cash position remains robust and we are positioned to deliver significant clinical milestones across our therapeutic programmes during each of the next three years."

Analyst meeting and webcast:

A meeting for analysts will be held at 10.00am today at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN.

For a webcast of the analyst presentation, please log on to the following web address approximately 10 minutes before 10.00am:

http://webcasting.buchanan.uk.com/broadcast/5afc4a0b1fcda841bf20f48d

For further details please contact Buchanan on 020 7466 5000.

A recording of the webcast will be made available on ReNeuron's website, www.reneuron.com

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About ReNeuron

ReNeuron is a leading, clinical-stage cell therapy development company. Based in the UK, its primary objective is the development of novel cell-based therapies targeting areas of significant unmet or poorly met medical need.

ReNeuron has used its unique stem cell technologies to develop cell-based therapies for significant disease conditions where the cells can be readily administered "off-the-shelf" to any eligible patient without the need for additional immunosuppressive drug treatments. The Company has therapeutic candidates in clinical development for disability as a result of stroke and for the blindness-causing disease, retinitis pigmentosa.

ReNeuron is also advancing its proprietary exosome technology platform as a potential new nanomedicine targeting cancer and as a potential delivery system for drugs that would otherwise lack adequate capacity to penetrate to their site of action.

ReNeuron's shares are traded on the London AIM market under the symbol RENE.L. Further information on ReNeuron and its products can be found at www.reneuron.com.

This announcement contains forward-looking statements with respect to the financial condition, results of operations and business achievements/performance of ReNeuron and certain of the plans and objectives of management of ReNeuron with respect thereto. These statements may generally, but not always, be identified by the use of words such as "should", "expects", "estimates", "believes" or similar expressions. This announcement also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of markets and demand for products. By their nature, forward-looking statements involve risk and uncertainty because they reflect ReNeuron's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of factors could cause

ReNeuron's actual financial condition, results of operations and business achievements/performance to differ materially from the estimates made or implied in such forward-looking statements and, accordingly, reliance should not be placed on such statements.

CHAIRMAN'S STATEMENT

I am pleased to introduce the Group's preliminary results for the year ended 31 March 2018.

The Company's programmes have progressed well during the period, the most significant milestone being the approval by the FDA of our IND submission to commence a Phase IIb clinical trial in the US with our CTX cell therapy candidate for stroke disability. Preparations for first patient dosing in this study continue apace, and we look forward to reporting data from the study late next year.

Elsewhere, we continued to progress patient dosing during the period in the ongoing US Phase I/II study of our hRPC cell therapy candidate for the blindness-causing inherited retinal disease, retinitis pigmentosa (RP). Top-line data from this study is expected in mid-2019. We have also continued to generate and present very promising early pre-clinical data with ExoPr0, our first CTX-derived exosome therapeutic candidate, targeting cancer.

It is gratifying to observe that the progress we have made with our therapeutic programmes has attracted the interest of a number of commercial third parties and this has increased the level of our business development activities. Yesterday's separate announcement of an exclusivity agreement with a US specialty pharmaceutical company relating to our hRPC retinal stem cell technology and therapeutic programmes underlines the strength of this third-party interest. We look forward to being able to sign a definitive agreement in the near term. We see such business development deals, if secured, as third-party validation of our technology as well as a significant source of non-dilutive funding for the Company.

The Group's financial results for the year ended 31 March 2018 reflect the continued tight management of our financial resources, even as we increase the intensity of our clinical development activities in the US. Further, we have continued to evidence our ability to secure non-dilutive grant funding across our development programmes by the award of three new grants over the past year, providing funding towards collaborative programmes of work totalling £5.0 million.

During the period, Dr Paul Harper stepped down from the Board as a Non-executive Director. We thank Paul for the important contribution he has made to the Company's success over his long tenure on the Board and wish him all the best in his future endeavours.

Also during the period, we welcomed Dr Claudia D'Augusta as a new Non-executive Director of the Company. Dr D'Augusta also chairs the Company's Audit Committee and brings over 20 years' experience in Europe and US corporate finance, in particular in the cell therapy sector.

ReNeuron continues to make solid progress in executing its strategy to deliver value across its therapeutic programmes through the generation of compelling clinical data in significant disease conditions. We look forward to reporting further progress in the year ahead. The Board and I would like to extend our thanks to our employees for their ongoing commitment and hard work during the year. I would also like to thank all of our shareholders for their continued support.

John Berriman
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Therapeutic programmes

CTX for stroke disability

In December 2017, the FDA approved our IND application to commence a Phase IIb study in the US with our CTX cell therapy candidate for stroke disability. The study, designated PISCES III, is a randomised, placebo-controlled clinical trial in 110 patients. The primary end-point of the study will be a comparison of the proportion of patients in the treated and placebo arms showing a clinically important improvement on the modified Rankin Scale (mRS) at 6 months post-treatment compared with baseline. The mRS is a clinician-reported global measure of disability or dependence upon others in carrying out activities of daily living and is recognised by regulatory authorities as an acceptable end-point in late-stage clinical trials in stroke disability. As previously reported, we expect the PISCES III study to be one of two pivotal studies required to support a marketing authorisation for the therapy in this indication.

Since the regulatory approval, we have continued our preparations to commence the PISCES III study. As previously reported, we have taken the decision to increase the number of clinical sites in the PISCES III study from 25 to 40 in order to ensure that patient recruitment targets in the study are met. To date, approximately one half of these sites have been approved for participation in the study. Subject to completion of ongoing local and central ethics approvals, we expect to commence patient recruitment in the PISCES III study shortly, leading to top-line data from the study at the end of 2019.

Shortly after obtaining regulatory approval to commence the PISCES III study, in January 2018, we announced the presentation of positive long-term data from the Phase II clinical trial (PISCES II) of our CTX cell therapy candidate for stroke disability at the American Heart Association International Stroke Conference 2018. The data presented at the conference indicate that our CTX therapy has the potential to produce meaningful and sustained improvements in the level of disability or dependence as well as motor function in disabled stroke patients.

hRPC for retinal diseases

During the period under review, we completed the dosing of four cohorts of three patients each in the ongoing US Phase I/II clinical trial of our hRPC cell therapy candidate for retinitis pigmentosa. This study, which is being undertaken at Massachusetts Eye and Ear Infirmary in Boston, is an open-label, dose escalation study to evaluate the safety, tolerability and preliminary efficacy of our hRPC stem cell therapy candidate in patients with advanced RP.

As previously reported, we expect the hRPC therapy to be most effective in RP patients with a sufficiently intact retina to enable good engraftment of the hRPC cells and subsequent generation of functional photoreceptors. We are therefore extending the study in order to expand the safety database in patients with less impaired vision than those treated thus far. This is the patient group we will be targeting in a subsequent, controlled Phase IIb clinical trial in RP.

The expanded Phase I/II study will also allow us to optimise the formulation and dosing of the hRPC therapy prior to commencement of the subsequent study. To this end, we are currently working on a revised formulation to optimise sub-retinal injection and subsequent disbursement of the hRPC drug product, ahead of dosing of the remaining patients in the ongoing Phase I/II

study. Based on the above, we expect short term read-outs from the ongoing Phase I/II clinical trial later than originally planned, in mid-2019, with the Phase IIb study commencing shortly thereafter.

We intend to seek approval to commence a Phase II clinical trial with our hRPC cell therapy candidate in patients with cone-rod dystrophy (CRD) to begin shortly after the start of Phase IIb testing of this candidate in RP. CRD is a group of rare eye disorders associated with a loss of cone cells in the retina resulting in deterioration of central visual acuity and colour vision.

Exosome nanomedicine platform

During the period, pre-clinical development work has continued with ExoPr0, our first CTX-derived exosome therapeutic candidate. Exosomes are nanoparticles secreted from cells including our proprietary CTX stem cell line. Exosomes play a key role in cell-to-cell signalling and early research with ExoPr0 has demonstrated its potential as both a novel therapeutic candidate and as a drug delivery vehicle.

Data were presented during the period showing a significant reduction in proliferation of a number of tumour-derived cell lines when treated with ExoPr0, indicating that ExoPr0 may have a significant effect in regulating cell growth and apoptosis in cancer. Further biodistribution data were presented during the period showing that ExoPr0 can be targeted to specific organs and tissues by either local or systemic administration and, most importantly, can penetrate the blood brain barrier. These findings suggest that there is significant potential to develop ExoPr0 for the treatment of multiple diseases, including solid tumours.

We and our collaborators also presented robust methodologies to characterise our CTX-derived exosomes to ensure consistency and control during manufacture as well as purification strategies to address the upstream cell culture processes needed to generate our exosomes and the downstream purification methods that can be applied to remove protein and DNA-based impurities from the exosomes at a commercially relevant scale.

We continue to build the pre-clinical data package for our ExoPr0 exosome therapy candidate and we have commenced discussions with regulatory authorities regarding the potential regulatory pathway to the clinic for ExoPr0. Subject to continued success with ongoing pre-clinical development work, we hope to be able to commence clinical development with ExoPr0 during 2019, as previously indicated, targeting a solid tumour cancer indication.

Other activities

During the period, we established an office in Boston, one of the US's most vibrant academic and commercial biotechnology hubs. This office will house our US-based clinical and medical staff and reflects our current and future focus on clinical development activities in the US across our therapeutic programmes. To this end, we were pleased to announce the appointment of Dr Rick Beckman as Chief Medical Officer shortly after the period end, in April 2018. Rick brings to ReNeuron more than 25 years of executive and consultancy experience in drug and device development and will be based at our Boston office.

Our technologies and therapeutic programmes have increasingly attracted the interest of commercial third parties as they have progressed through pre-clinical and clinical development. As a result, we have increased our business development activities during the period, and

subsequently, leading to yesterday's announcement of the exclusivity agreement relating to our hRPC retinal platform and programmes, referred to in the post-period end developments section below.

We are also in active discussions with a number of third parties relating to our other platform technologies and programmes, with a view to potential collaboration and/or out-licensing deals in due course. These potential deals, if successfully concluded, will provide strong third party validation to our technologies and programmes as well as a source of significant non-dilutive funding to the Company.

Finally, we are increasing the scope of our collaborative work with academic and commercial partners with the aim of exploiting the potential of our technology platforms beyond our core in-house therapeutic programmes. An example of this was the publication, in February 2018, of new positive data with our CTX cell therapy candidate in a pre-clinical model of nerve injury, which demonstrated comparable nerve regeneration compared to standard of care treatment and a stronger muscle function response. The model, using our CTX cells as a component of artificial nerve tissue, was developed as part of a grant-funded collaboration with University College London and Sartorius Stedim Biotech.

Post-period end developments

In May 2018, we presented data demonstrating for the first time that our ExoPr0 exosome therapy candidate induces apoptosis (cell death) and/or senescence (arresting of cell growth) in a number of cancer cell lines. The data also showed for the first time that ExoPr0 significantly reduces tumour volume in a variety of *in vivo* xenograft models of cancer. These results, albeit early-stage, are particularly encouraging as they demonstrate the potential of ExoPr0 as a monotherapy with a comparable efficacy profile to the standard of care in a relevant cancer model. Further, when combined with the current standard of care therapy, ExoPr0 induces an additive reduction of tumour volume, indicating distinct mechanisms by which ExoPr0 exerts its therapeutic effect as well as its potential utility as a combination therapy.

Yesterday, we announced the signing of an exclusivity agreement with a US-based specialty pharmaceutical company relating to the potential out-licensing of our hRPC technology and therapeutic programmes. In exchange for granting a three-month exclusivity period, ReNeuron will receive a non-refundable $2.5 million payment from the US-based company. A further $2.5 million is payable to ReNeuron subject to completion of certain due diligence activities during the exclusivity period. We aim to sign a definitive agreement with the third party concerned later this year, subject to agreement of final commercial terms.

Summary and outlook

During the period, our therapeutic development programmes have continued to progress well. The regulatory approval from FDA to commence a Phase IIb clinical trial in the US with our CTX cell therapy candidate for stroke disability was a significant milestone for ReNeuron and we look forward to dosing the first patient in this study. Dosing has progressed during the period in our ongoing US Phase I/II study with our hRPC cell therapy candidate for retinitis pigmentosa and we have continued to generate and present encouraging pre-clinical data with our ExoPr0 exosome therapy candidate in oncology.

We now have a physical presence in Boston, US, one of the world's leading biotechnology hubs, where our new US office reflects ReNeuron's increasing clinical activity in this territory. Further, our cell-based technologies and therapeutic programmes have attracted the interest of a number of commercial third parties, leading, initially, to yesterday's separate announcement of an exclusivity agreement with a US specialty pharmaceutical company regarding our hRPC retinal stem cell technology and therapeutic programmes. We hope to be able to conclude a definitive agreement with this company later this year.

Our cash position remains robust and we are positioned to deliver significant clinical milestones across our therapeutic programmes during each of the next three years.

Olav Hellebø
Chief Executive Officer

FINANCIAL REVIEW

Revenues in the year amounted to £43k (2017: £46k), being royalties from non-therapeutic licensing activities. Grant income of £0.85 million (2017: £0.85 million) was also recognised in other income.

Research and development costs remained constant at £16.7 million (2017: £16.7 million) and accounted for 82% of net operating expenses (2017: 80%). However, the prior year cost includes a £1.6 million impairment of intangible assets indicating that the underlying costs have increased by £1.6 million (11%) from £15.1 million to £16.7 million. This increase is primarily due to the increased level of clinical trial activity and associated cell manufacturing and process development costs across the Group's therapeutic programmes.

General and administrative expenses have increased by £0.5 million to £4.6 million (2017: £4.1 million). This increase is primarily due to costs associated with an increase in business development and contracting activities.

Finance income represents income received from the Group's cash and investments and gains from foreign exchange with losses from foreign exchange shown in finance costs. Finance income was £0.3 million in the period (2017: £1.7 million). In 2017, finance income included foreign exchange gains of £1.2 million. In 2018, the movement in exchange rates has led to a foreign exchange loss of £0.9 million. The Group holds cash and investments in foreign currencies in order to hedge against operational spend and the strengthening of sterling against the US dollar during the period has resulted in a relative devaluation of the Group's foreign currency deposits.

The total tax credit for the period was £3.35 million, relating to an accrual for a research and development tax credit for the period of £3.0 million (2017: £2.59 million) plus an additional £0.35 million received relating to 2017. The increase in the accrual on the previous year reflects the increase in applicable costs.

As a result of the above, the total comprehensive loss for the year increased to £17.6 million (2017: £15.6 million).

Cash used in operating activities was £14.9 million (2017: £12.6 million), largely reflecting the operating costs incurred during the period, net of tax credits received. The Group had cash, cash equivalents and bank deposits totalling £37.4 million at the year-end (2017: £53.1 million). The directors expect that the Group's current financial resources will be sufficient to support operations for at least the next 12 months from the date of this announcement.

In January 2018, shareholders approved a Share Capital Reorganisation whereby all Shareholders on the register as at 6.00 p.m. on 23 January 2017 received one new consolidated Ordinary Share of 1 pence each for every 100 existing Ordinary Shares of 1 pence each held as at that date. Following subsequent Admission of the new consolidated Ordinary Shares, the Company now has 31,646,186 Ordinary Shares in issue, all with voting rights.

During the period and subsequent to the period end, we, along with our academic and commercial collaborators, have been awarded three separate government grants, further evidencing our continued success in sourcing non-dilutive funding for our development programmes. The first of these is a grant from Innovate UK to provide funding towards a £2.3 million work programme to further advance our next generation commercial cell therapy manufacturing capabilities. The

grant will fund key process development activities relating to up-scaled commercial manufacture of our cell therapy candidates. The second grant was awarded under the Welsh Government's SMARTExpertise scheme and will help fund a £1.2m collaborative programme of work to advance our emerging exosome therapy platform. The third grant was awarded under Innovate UK's Medicines and Manufacturing Round 1: Challenge Fund and will co-fund a £1.5 million collaborative programme of work to generate further cell banks of our hRPC cell therapy candidate as well as the development of product release assays for late-stage clinical development and subsequent commercialisation of the therapy.

Michael Hunt
Chief Financial Officer

Group Statement of Comprehensive Income
for the year ended 31 March 2018

	2018	2017
	£'000	£'000
Revenue: royalty income	**43**	46
Other income: grants	**854**	854
Research and development costs	**(16,657)**	(16,648)
General and administrative costs	**(4,616)**	(4,139)
Operating loss	**(20,376)**	(19,887)
Finance income	**320**	1,722
Finance expense	**(911)**	-
Loss before income tax	**(20,967)**	(18,165)
Income tax credit	**3,352**	2,592
Loss and total comprehensive loss for the year	**(17,615)**	(15,573)
Loss and total comprehensive loss attributable to equity owners of the Company	**(17,615)**	(15,573)
Basic and diluted loss per ordinary share	**(55.7p)**	(49.2p)

Group Statement of Financial Position
as at 31 March 2018

	2018	2017
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	**726**	724
Intangible assets	**186**	–
	912	724
Current assets		
Trade and other receivables	**1,285**	1,060
Income tax receivable	**3,010**	4,015
Investments – bank deposit	**9,500**	24,936
Cash and cash equivalents	**27,911**	28,125
	41,706	58,136
Total assets	**42,618**	58,860
Equity		
Equity attributable to owners of the Company		
Share capital	**316**	31,646
Share premium account	**97,704**	97,704
Capital redemption reserve	**40,294**	8,964
Merger reserve	**2,223**	2,223
Accumulated losses	**(103,868)**	(87,380)
Total equity	**36,669**	53,157
Liabilities		
Current liabilities		
Trade and other payables	**5,949**	5,703
	5,949	5,703
Total liabilities	**5,949**	5,703
Total equity and liabilities	**42,618**	58,860

Group Statement of Changes in Equity
for the year ended 31 March 2018

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2016	**31,646**	**97,704**	**8,964**	**2,223**	**(72,879)**	**67,658**
Credit on share-based payment	–	–	–	–	1,072	1,072
Loss for the year and total comprehensive loss	–	–	–	–	(15,573)	(15,573)
As at 31 March 2017	**31,646**	**97,704**	**8,964**	**2,223**	**(87,380)**	**53,157**
Effect of share consolidation	(31,330)	–	31,330	–	–	–
Credit on share-based payment	–	–	–	–	1,127	1,127
Loss for the year and total comprehensive loss	–	–	–	–	(17,615)	(17,615)
As at 31 March 2018	**316**	**97,704**	**40,294**	**2,223**	**(103,868)**	**36,669**

Group Statement of Cash Flows
For the year ended 31 March 2018

	2018	2017
	£'000	£'000
Cash used in operations	**(19,244)**	(13,976)
Income tax credit received	**4,357**	1,340
Cash used in operating activities	**(14,887)**	(12,636)
Cash flows from investing activities		
Capital expenditure - Fixed Assets	**(235)**	(532)
Interest received	**383**	520
Net cash generated from/(used in) investing activities	**148**	(12)
Cash flows from financing activities		
Bank deposit matured/(placed)	**14,525**	23,347
Net cash generated from financing activities	**14,525**	23,347
Net (decrease)/increase in cash and cash equivalents	**(214)**	10,699
Cash and cash equivalents at the start of year	**28,125**	17,426
Cash and cash equivalents at the end of year	**27,911**	28,125

Notes to the financial information for the year ended 31 March 2018

1. General information

ReNeuron Group plc ("the Company") and its subsidiaries (together "the Group") are engaged in the research and development of therapies using stem cells. The Company is a public limited company incorporated and domiciled in England with registered number 05474163. Its shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

2. Basis of preparation

The unaudited financial information included in this preliminary results announcement for the year ended 31 March 2018 and audited financial information for the year ended 31 March 2017 does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The information has been extracted from the draft statutory financial statements for the year ended 31 March 2018 which will be delivered to the Registrar of Companies in due course. Statutory financial statements for the year ended 31 March 2017 were approved by the Board of directors on 18 July 2017 and have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified and did not include an emphasis of matter paragraph.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, the interpretations of International Financial Reporting Interpretations Committee (IFRIC) and the Companies Act 2006 applicable to companies reporting under IFRS.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS), this announcement does not contain sufficient information to comply with IFRS. The accounting policies used in the preparation of these unaudited financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 March 2017.

3. Going concern

The Group is expected to incur significant further costs as it continues to develop its therapies and technologies through clinical development. The operation of the Group is currently being financed from funds that have been raised from share placings and grants.

The directors expect that the Group's current financial resources will be sufficient to support operations for at least the next 12 months from the date of this announcement. The directors are currently considering a number of options for further funding and believe that sufficient funding will be available beyond current cash resources in order to continue the Company's ongoing clinical programmes. Consequently, the going concern basis has been adopted in the preparation of these financial statements

4. Research and development costs

All research and development costs incurred in the year have been charged directly to the Group Statement of Comprehensive Income.

5. Basic and diluted loss per ordinary share

The basic and diluted loss per share is calculated by dividing the loss for the financial year of £17,615,000 (2017: 15,573,000) by 31,646,186 shares (2017: 31,646,186 shares adjusted for the effect of the 1 for 100 Share Capital Reorganisation completed in January 2018), being the weighted average number of 1p Ordinary shares in issue during the year.

Potential Ordinary shares are not treated as dilutive as the entity is loss making.

6. Cash used in operating activities

	Year ended 31-Mar 2018 £'000	Year ended 31-Mar 2017 £'000
Loss before income tax	**(20,967)**	(18,165)
Adjustment for:		
Interest received	**(320)**	(520)
Depreciation of property, plant and equipment	**232**	169
Impairment of intangible assets	**-**	1,591
Provisions movement	**-**	(498)
Share-based payment charges	**1,127**	1,072
Finance expense	**911**	-
Changes in working capital:		
Receivables	**(289)**	372
Payables	**62**	2,003
Cash used in operating activities	**(19,244)**	(13,976)