

Inspiration Healthcare Group plc

("Inspiration", the "Company" or the "Group")

Interim Results

Inspiration Healthcare Group plc (AIM: IHC), the global medical device company, today announces its interim results for the six months ended 31 July 2015.

The Group is reporting these financial results following a reverse takeover completed on 24 June 2015. Accordingly, the trading results reflect six months of Inspiration Healthcare Limited and approximately six weeks from Inditherm plc as previously constituted. A proforma statement of income has been produced which reflects six months of trading from both entities. These results have been adjusted to show the Group as it is currently structured. On this proforma basis, the consolidated Group is showing growth in revenue and profit.

Highlights:

- Strong growth in revenue and operating profit before exceptionals
- Group well placed in attractive market sectors
- Proven management team and Board with significant sector expertise and plc experience
- Strong balance sheet with cash resources of £2.1m for business development
- Enlarged Group with complementary product ranges and more resources focused on market development
- Integration plans progressing well and to be completed by end of financial year

Neil Campbell, Chief Executive Officer, said today:

"We have had a strong six months in terms of revenue and operating profit growth, with potential to unlock further profits from the enlarged business. We are very pleased with the way the integration of the two businesses is progressing and expect to be able to build on this platform in the future. We have a strong cash balance going into the second half which ideally places us for investment in our business to position ourselves well going into 2016."

www.inspiration-healthcare.com

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Notes to editors:

Inspiration Healthcare Group plc was formed following the acquisition on 24 June 2015 by Inditherm plc, of Inspiration Healthcare Limited, a global medical device distribution company.

Chairman's Statement

Highlights

On 24 June 2015 Inditherm plc acquired 100% of the share capital of Inspiration Healthcare Limited in a transaction which has been treated as a reverse takeover. The combined group has been renamed Inspiration Healthcare Group plc. The transaction has brought a strong management team with a proven track record of growth and profitability. The enlarged Group now has a much broader range of innovative products which predominantly serve the medical markets specialising in critical care and the operating room.

Since completion of the transaction, restructuring plans are being implemented to improve market focus and deliver the benefits of the combined businesses. The progress is encouraging and the process is expected to be completed by the end of the financial year.

The restructured business will provide a strong platform for growth in exciting areas of the medical technology market with scale and additional resources. The business is underpinned by patient focused customer service that helps to differentiate our product offering and add value. This philosophy will be extended across the enlarged Group during the remainder of this financial year. Inspiration Healthcare Limited had a history of strong cash generation which has been a key driver of growth and we expect this to continue in the enlarged Group. Cash generated will allow continued investment in R&D for innovative new products which will be launched over the next 12 months. These new products are focused on the neonatal space, especially around the first few days of life, and will benefit from our established distribution channels into 50 countries.

The Group is reporting the financial results as a reverse takeover. Accordingly, the trading for the half year to 31 July 2015 reflects six months of Inspiration Healthcare Limited and approximately six weeks from Inditherm plc as previously constituted. To help shareholders to assess the enlarged Group, a proforma statement of income has been produced as the first financial statement of this unaudited interim report, which reflects six months of trading from both entities. These results are adjusted to show the Group as it is currently structured. On this proforma basis the consolidated Group is showing healthy growth in revenue of 17% and an underlying return on sales of 8%.

In our business streams, growth in the Critical Care Division has been particularly pleasing, bolstered by a large order for Tecotherm, our neonatal thermal regulation device, from Saudi Arabia. We see encouraging interest in our products especially in the UK and the USA and we expect to keep the momentum in sales in these areas.

The Operating Room Division performance has been steady as we have integrated the product ranges to exploit future efficiencies in the route to market. However, we are making progress with our managed service offering in the UK and have secured our first significant order from a large teaching hospital.

The Other Division, which includes, inter alia, pumps for parenteral nutrition and chemotherapy as well as our Industrial products, performed well with a strong contribution from the Micrel range of parenteral nutrition products.

Financial Review

On a statutory accounting basis, applying the provisions of IFRS 3 (Business combinations), revenue for the six months to 31 July 2015 was £5,652k (2014: £4,524k). The operating profit for the period before exceptional items was £713k (2014: £295k) and after exceptional items £108k (2014: £295k). This is larger than the proforma operating profit because of the elimination of losses of Inditherm plc prior to the reverse takeover. Profit retained attributable to the owners of the parent company was £14k (2014: £218k). The Earnings per share under this same IFRS 3 basis was 0.1p (2014: 0.9p).

The following unaudited proforma statement presents statements of comprehensive income for the enlarged Group for the six months to 31 July 2015, for the six months to 31 July 2014 and twelve months to 31 January 2015 on the assumption that the two entities had been a Group for the entire period.

	6 months ended 31-Jul 2015 £'000	6 months ended 31-Jul 2014 £'000	Year ended 31-Jan 2015 £'000
Revenue	6,470	5,540	11,409
Cost of sales	(3,579)	(3,199)	(6,344)
Gross profit	2,891	2,341	5,065
Operating expenses	(2,985)	(2,253)	(4,497)
Research and development	(138)	(137)	(309)
Operating (loss) / profit for the period	(232)	(49)	259
Analysed as:			
Operating profit / (loss) before exceptional items	518	(49)	302
Exceptional items	(750)	-	(43)
Operating (loss) / profit for the period	(232)	(49)	259
Finance income	2	3	6
(Loss) / profit on ordinary activities before taxation	(230)	(46)	265
Taxation	(95)	(78)	(229)
(Loss) / profit for the period attributable to the owners of the parent company	(325)	(124)	36
Earnings / (loss) per share, before exceptional items, for Inspiration Healthcare Group attributable to owners of the parent company during the period – basic and diluted	1.4p	(0.4p)	0.3p

Revenue for the six months to 31 July 2015 on a proforma basis was £6,470k (2014: £5,540k) representing a 17% growth rate boosted by a particularly strong performance in the neonatal products, with one very large order from Saudi Arabia for Tecotherm Neo.

Gross margins, in the six month period, on the proforma basis improved from 42% to 45% due to a larger proportion of service revenue and own branded sales.

Overheads for the period reflect a large exceptional charge of £750k representing the costs of the reverse takeover. Excluding these exceptional costs, overheads on a proforma basis were similar to the prior period at £2,235k (2014: £2,253k) albeit that costs have been constrained during this period prior to the completion of the transaction.

As a consequence of the growth underlying operating profit on a proforma basis was £518k (2014: £49k loss).

The resulting earnings per share, before exceptional items, on the proforma basis was 1.4p (2014: 0.4p loss).

The Group had net cash resources at 31 July 2015 of £2,084k (2014: £815k). This reflects strong cash collection from trade receivables.

The results of Inditherm plc for the six months to 30 June 2015 are set out at the end of this statement for completeness.

Operational Review

The last six months have been extremely active with the completion of the agreed reverse takeover of Inditherm plc resulting in the formation of the renamed larger company Inspiration Healthcare Group plc. As part of the acquisition I am pleased to welcome new Board members, Mr. Neil Campbell (CEO) and Mr. Toby Foster (Group Sales Director) to the executive team complementing Mr. Ian Smith, our Group Finance Director as well as Mr. Brook Nolson and Mr. Robert (Bob) Beveridge as non-executive directors. I would like to thank Mr. Nick Bettles and Mr. John Markham for their contribution to the Company and wish them well in the future.

The reverse takeover has brought a scale to the Company which will allow us to build on a platform that reaches into areas of critical care in more than 50 countries around the world. This scale will allow us to leverage relationships with distribution partners overseas, create a critical mass in the UK with a larger sales team and allow us to invest further in marketing and R&D for future products.

The new Group will concentrate on three main areas of business, the largest being Critical Care incorporating neonatal intensive care, paediatric intensive care and adult intensive care, the second being Operating Room and the third being Other products which include distributed products for infusion therapy as well as our historic industrial sales. It is also pleasing to report that all of our key customers, principals and suppliers have viewed the transaction as positive and have expressed a desire to continue to work with the enlarged Group.

We have developed a new website reflecting the enlarged Group and its capabilities and will continue to develop our online presence to gain further reach and attract new customers as well as support existing customers.

The synergies between the two companies will allow economies of scale to be exploited in terms of management, sales resources and especially technical support / after-sales service where the Inspiration Healthcare Limited model generates significant cash and profit. As the business gathers momentum gained from the extra resources and combined product offering we expect the result to reflect strong operational gearing.

Additionally, the investment that has been made in R&D will be continued in the enlarged Group with products expected to be released over the next twelve months complementing the current neonatal product range. As with all R&D projects in this industry, product launches are subject to costly regulatory approvals which are expected in the second half of the year.

The new ERP system being implemented across the Group will provide management information to help support growth of the business, including a new CRM system that will help identify and prioritise sales opportunities.

It was pleasing to be recognised with two awards received during the period for outstanding achievement from Medilink East Midlands and for exports from the Leicester Mercury Business Awards. Additionally, we are pleased to have been granted living wage employer accreditation from the Living Wage Foundation showing our commitment to our staff.

Market Review

Our Critical Care range continues to see a lot of interest in the UK. A number of large projects are expected to come to fruition over the forthcoming months as demonstrations of equipment in various hospitals are carried out. Timing in the NHS is always difficult to predict and we expect to see strong competition for these contracts but the positive signs are that the NHS is investing in capital projects in this area. We also note growing interest in the Atom incubator range at this time.

Our largest ever order was received from the Kingdom of Saudi Arabia to supply Tecotherm Neo products and accessories. This is an encouraging endorsement, as tenders of this size are unusual for this product. Additionally, we have seen success in Canada for the Inspire nCPAP™ range and the range continues to grow its market share around the world. Market registrations of products in Russia and China have been delayed due to regulatory changes in these countries. We expect to complete registrations and generate revenue for certain products over the next twelve months.

The USA has shown considerable interest in the Tecotherm Neo after publication of clinical research on the product in the respected journal, 'Pediatrics'. We expect to start to turn the interest into revenue over the next six months.

In our Operating Room division in the UK we see consolidation of our position as a supplier of the Medos (oxygenators) and Acutronic (jet ventilator) range. Additionally, we have seen continuing interest in our managed service offering of Inditherm branded products and our first customer recently signed a three year managed service contract. In the USA,

with the Inditherm-branded products, progress has been slow but we are gaining a greater understanding of the market dynamics and the best route to market for the products.

In the third division, Other, the Micrel range for parenteral nutrition continues to show year on year growth, although the pain management product range is proving more difficult to gain traction partly due to an existing NHS Supply Chain Framework Agreement that was in place prior to our launching the range. We expect to make progress in this area albeit slowly. Industrial sales are lower than previous year as our focus has been on the more profitable higher growth opportunity of the overall medical business.

Our Technical Support and After-Sales Service revenues are in line with expectations. Additionally we are pleased to announce that we have been recognised as a certified service centre for Biomed Devices Inc. (of Connecticut, USA), this will allow us to expand our service offering of air/oxygen blenders across Europe and the Middle East and although we expect a modest increase in revenues in the short term it is an important step in our strategy for growing our service revenues.

Outlook

The fully integrated business will have a strong foundation for growth in 2016. The ERP system introduced by Inspiration Healthcare Limited over the past ten months will form the basis of new systems across the Group and we expect to continue to invest in our IT and management information systems into 2016 to gain longer term efficiencies.

We will be assessing the product and marketing strategy for the enlarged Group's product range to prioritise our R&D for the end of 2015 and beyond. With several new products close to launch from our own R&D portfolio and with additional distribution opportunities for the UK, we expect to have exciting product range enhancements as we move forward. These product range enhancements will not only add revenue but will also increase margins as we leverage our brand through our extensive distribution network in future years.

We are excited by the academic research we see in the field of neonatal intensive care medicine. By supporting the research community we will position ourselves to benefit from patient outcome changing technologies and therapies that will add value to our Company.

With the very large export order received in the first half our growth rate in the second half is likely to settle at more normal levels. We also expect to be investing in the next phases of development to fuel future growth, which will commit extra resources in the next few months.

We remain confident of our ability to continue the growth of the business through market penetration and new product introductions. In the short to medium term our expectations remain unchanged.

MARK ABRAHAMS Chairman
29 September 2015

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 31 July 2015

	Notes	6 months ended 31-Jul 2015 £'000	6 months ended 31-Jul 2014 £'000	Audited Year ended 31-Jan 2015 £'000
Revenue		5,652	4,524	9,538
Cost of sales		(3,224)	(2,721)	(5,507)
Gross profit		2,428	1,803	4,031
Operating expenses		(2,204)	(1,372)	(2,807)
Research and development		(116)	(136)	(246)
Operating profit		108	295	978
Analysed as:				
Operating profit before exceptional items		713	295	978
Exceptional items	7	(605)	-	-
Operating profit		108	295	978
Finance income		1	1	2
Profit on ordinary activities before taxation		109	296	980
Taxation	8	(95)	(78)	(229)
Profit retained attributable to the owners of the parent company		14	218	751
Earnings per share, before Exceptional items, for Inspiration Healthcare Group attributable to owners of the parent company during the period – basic and diluted	10	2.3p	0.9p	2.9p
Earnings per share for Inspiration Healthcare Group attributable to owners of the parent company during the period – basic and diluted	10	0.1p	0.9p	2.9p

All recognised gains and losses are included in the Consolidated Statement of Comprehensive Income, as such there is no other comprehensive income.

Unaudited Consolidated Statement of financial position

As at 31 July 2015

	As at 31-Jul 2015 £'000	As at 31-Jul 2014 £'000	Audited As at 31-Jan 2015 £'000
ASSETS			
Non-current assets			
Intangible assets	236	92	136
Goodwill	431	-	-
Property, plant and equipment	128	103	90
Investments	84	-	-
	879	195	226
Current assets			
Inventories	999	562	664
Trade and other receivables	1,307	1,080	2,143
Current tax asset	18	-	-
Cash and cash equivalents	2,084	815	342
	4,408	2,457	3,149
Total assets	5,287	2,652	3,375
Liabilities			
Current liabilities			
Trade and other payables	1,648	870	1,368
Bank and Other borrowings	40	-	-
Deferred Income	378	311	251
Current tax liability	286	181	191
	2,352	1,362	1,810
Non-current liabilities			
Deferred Income	96	-	-
Deferred tax liability	25	7	25
Total liabilities	2,473	1,369	1,835
Net assets	2,814	1,283	1,540
Shareholders' equity			
Called up share capital	3,067	511	511
Share premium account	9,929	9,929	9,929
Merger Reserve	4,600	-	-
Reverse acquisition reserve	(16,165)	(10,440)	(10,440)
Accumulated profit	1,383	1,283	1,540
Total equity	2,814	1,283	1,540
Total liabilities and equity	5,287	2,652	3,375

Unaudited Consolidated Statements of Cash flows

For the six months ended 31 July 2015

	6 months ended 31-Jul 2015 £'000	6 months ended 31-Jul 2014 £'000	Audited Year ended 31-Jan 2015 £'000
Operating profit before exceptional items for the period	713	295	978
Transaction and exceptional costs	(605)	-	-
Cash flows from operating activities			
Depreciation and amortisation	42	32	67
Increase in inventories	(178)	(83)	(185)
Decrease / (increase) in trade and other receivables	1,103	84	(979)
Increase / (decrease) in trade and other payables	96	(42)	456
Increase in deferred income	36	158	98
Interest received	1	1	2
Taxation paid	-	-	(123)
Net cash inflow from operating activities	1,208	445	314
Cash flow from investing activities			
Purchase of property, plant and equipment	(32)	(54)	(120)
Purchase of intangible assets	(112)	-	-
Acquisition of entity net of cash acquired	(538)	-	-
Acquisition of investment	(84)	-	-
Net cash used in investing activities	(766)	(54)	(120)
Consideration for reverse acquisition	1,431	-	-
Bank and other borrowings	40	-	-
Equity dividends paid	(171)	(132)	(408)
Net cash generated from/(used in) financing activities	1,300	(132)	(408)
Net increase/(decrease) in cash and cash equivalents	1,742	259	(214)
Cash and cash equivalents at the beginning of the period	342	556	556
Cash and cash equivalents at the end of the period	2,084	815	342

Unaudited Consolidated Statement of Changes in Shareholder Equity

For the six months ended 31 July 2015

	Called up Share Capital £000's	Share premium account £000's	Merger reserve £000's	Reverse acquisition reserve £000's	Retained earnings £000's	Total equity £000's
Shareholders' equity at 31 January 2014	511	9,929	-	(10,440)	1,197	1,197
Profit for the period and total comprehensive expenses	-	-	-	-	218	218
Dividends paid	-	-	-	-	(132)	(132)
Shareholders' equity at 31 July 2014	511	9,929	-	(10,440)	1,283	1,283
Profit for the period and total comprehensive expenses	-	-	-	-	533	533
Dividends paid	-	-	-	-	(276)	(276)
Shareholders' equity at 31 January 2015	511	9,929	-	(10,440)	1,540	1,540
Dividends paid	-	-	-	-	(171)	(171)
Profit for the period and total comprehensive expenses	-	-	-	-	14	14
Arising on Reverse acquisition	-	-	-	(5,725)	-	(5,725)
Share issued as consideration	2,556	-	4,600	-	-	7,156
Shareholders' equity at 31 July 2015	3,067	9,929	4,600	(16,165)	1,383	2,814

Notes to the interim report

1. Basis of Preparation

These condensed consolidated interim financial information for the six months ended 31 July 2015 has been prepared in accordance with AIM rule 18 in relation to half year reports. This information should be read in conjunction with the annual financial statements for the year ended 31 January 2015 contained in the Admission Document issued by Inditherm plc on 26 May 2015 which is available from the website of Inspiration Healthcare (www.inspiration-healthcare.com), these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2. Going-concern basis

The Group meets its day-to-day working capital requirements through its cash resources. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated interim financial statements.

3. Reverse acquisition accounting

On 24 June 2015, the Company, by way of a share exchange, acquired the entire issued ordinary share capital of Inspiration Healthcare Limited by way of issuing 25,556,290 ordinary shares of 10p to the shareholders of Inspiration

Healthcare Limited.

The acquisition of Inspiration Healthcare Limited by Inspiration Healthcare Group plc is deemed to be a reverse acquisition under the provisions of IFRS 3 (Revised) "Business Combinations"

In accounting for a reverse acquisition (rather than an acquisition) the combined financial statements are deemed to be a continuation of the books of the legal acquiree (in this case Inspiration Healthcare Limited) rather than a continuation of those of the legal acquirer (Inspiration Healthcare Group plc, formally known as Inditherm plc). The assets and liabilities of Inspiration Healthcare Limited are carried forward at book value, rather than being adjusted to their fair values, and no goodwill arises in relation to them. The opposite is true in relation the assets of Inspiration Healthcare Group plc, which are consolidated at their fair values. A preliminary assessment of the fair values has been undertaken and there are no material differences from the carrying amounts.

The overall effect of this is that the consolidated financial statements are prepared from an Inspiration Healthcare Limited perspective rather than rather than Inspiration Healthcare Group plc, in summary this means:

- The comparative consolidated financial information is that of Inspiration Healthcare Limited rather than that of Inspiration Healthcare Group plc.
- The results for the period and consolidated cumulative profit and loss reserves are those of Inspiration Healthcare Limited plus the post-acquisition results of Inspiration Healthcare Group plc.
- A reverse acquisition reserve of £16,165k has been created: however,
- The share capital, share premium account and merger reserve are that of Inspiration Healthcare Group plc.

4. Interim financial information

The interim financial information for the period ended 31 July 2015 is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial information for the period ended 31 July 2014 are also unaudited and were extracted from the audited accounts for the year ended 31 January 2015 for Inspiration Healthcare Limited and were approved by its Board of Directors on 26 May 2015 and have been delivered to the Registrar of Companies with an unqualified audit report, and the audited accounts of Inspiration Healthcare Group plc for the year ended 31 December 2014, which were approved by its Board of Directors on 28 April 2015, have been delivered to the Registrar of Companies with an unqualified audit report.

The Company's (Inditherm plc, now called Inspiration Healthcare Group plc) annual report and financial statements for the year ended 31 December 2014 which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The standards used are those published by the International Accounting Standards Board (IASB) and endorsed by the EU at the time of preparing those statements.

5. Acquisition accounting

The Acquisition consideration, net assets and goodwill are based upon the reverse takeover of Inditherm plc by Inspiration Healthcare Limited. The fair value of the consideration is the market capitalisation of Inditherm plc at acquisition. The net assets are stated at fair value and there were no changes to the book value carried in the accounting records of Inditherm plc.

In accordance with the provisions of IFRS 3 the goodwill figure is preliminary and management will consider the fair value of assets including intangibles within the 12 months' timescale that IFRS allows.

Goodwill arises on the reverse takeover when comparing the deemed fair value consideration of Inspiration Healthcare Limited acquiring the shares of Inspiration Healthcare Group plc. In accordance with the provisions of IFRS this goodwill figure is preliminary and management will be considering ascribing value to intangible assets acquired within the 12 months' timescale that IFRS allows.

	£'000
Fair value of consideration	1,431
Net assets acquired	
Intangible assets	3
Tangible assets	33
Stock	157
Debtors	267

Current tax asset	18	
Creditors	(184)	
Deferred income	(188)	
Cash and bank balances	894	1,000
Goodwill arising on reverse acquisition		431

6. Investment in Neuroprotexon Limited

During the period Inspiration Healthcare Limited invested in Neuroprotexon Limited. The Company has invested £100,000 in aggregate in return for a holding of 15.28% or 11.74% on a fully diluted basis, £16k of this has been by way of doing work on behalf of Neuroprotexon Limited. Inspiration has the right, amongst other things, to appoint a director. Neil Campbell is currently appointed as a Non-Executive Director as Inspiration's representative. All non-executive director fees to be paid by Neuroprotexon Limited will be invoiced by Inspiration Healthcare Limited.

7. Exceptional items

The exceptional items charges in the various periods reported relate to total transaction costs of £580k and restructuring cost of £170k. The amounts in the consolidated results of the Group reflect that £145k of these were incurred by Inspiration Healthcare Group plc prior to the date when the transaction became unconditional on 24 June 2015. Inspiration Healthcare Group plc incurred a total cost during the process of the reverse acquisition and subsequent restructuring of £579k.

Proforma results for the 6 months to 31 July 2015	Consolidated results of the enlarged group for the 6 months to 31 July 2015	Results of Inspiration Healthcare Group plc for the 6 months to 30 June 2015
£'000	£'000	£'000
750	605	579

8. Taxation

A provision has been made for corporation tax at the rate of 21% on the estimated taxable operating profits for the period. A review of the enlarged Group's tax position will be conducted in the second half and may result in a significant change to the management estimates to date.

9. Dividends paid

During the periods reported, but prior to the reverse acquisition, dividends have been paid by Inspiration Healthcare Limited. Neil Campbell and Toby Foster received dividends during the periods prior to the reverse acquisition and becoming directors of Inspiration Healthcare Group plc.

There are no immediate plans to pay dividends for either Inspiration Healthcare Limited (which would be intra group) or Inspiration Healthcare Group plc.

10. Earnings per share

The calculation of earnings per ordinary share is based on a profit of £14k (31 July 2014: Profit £218k, 31 January 2015: Profit £751k) and on a weighted average number of shares of 26,629,372 for the six months to 31 July 2015 and 25,556,290 for the six months to 31 July 2014 and 12 months to 31 January 2015.

11. Contingent liabilities

Included within cash and cash equivalents is a deposit for £250k that is used as collateral for bank facilities provided by HSBC Bank plc to Inspiration Healthcare Group plc. Bank facilities provided by HSBC Bank plc include a bank guarantee issued to Highbridge (Houndhill) Industries Limited for £143k being a rolling two years rent on the manufacturing facility at Rotherham. The company entered the lease on 11 March 2002 for an initial period of fifteen years, which ends on 10

March 2017.

Inspiration Healthcare Limited has provided a fixed and floating charge over its assets as collateral for bank facilities provided by The Royal Bank of Scotland plc. Throughout all period reported there have been no borrowings on this facility.

During the normal course of business, the Group offers warranties against clearly defined performance specifications.

8. Related party transactions

Lease of Leicestershire facility

Inspiration Healthcare Limited entered into a lease in respect of Gildor House in Leicestershire for an annual rent of £19,250 on 8 April 2008. The lease term is for ten years from April 2008. The last rent review date in the term has already passed. The landlord of the property is a self-invested pension plan ("SIPP") controlled by Neil Campbell, Toby Foster, Simon Motley, Malcolm Oxley and Graham Walls. The annual charge was deemed to be at a market rate by Standard Life Trustee Limited on 18 April 2008. This was reviewed on 6 August 2013, with the market rate remaining unchanged.

Brook Nolson

On 26 September 2013 Inspiration entered into an agreement with Deciduous Limited, a company of which Brook Nolson is a director, for the provision of business consultancy services and strategic advice. In the twelve months prior to Admission, Inspiration paid or agreed to pay £113,053 (excluding VAT) in respect of these services. The agreement terminated on Admission, when Brook Nolson became a Non-Executive Director of the Company.

In order to effect an orderly handover of services provided in relation to the installation of new business systems a number of additional days support were considered necessary by the other directors, for which Deciduous Limited was paid an additional £8k during July and August 2015. This now completes the assignment and the obligations under the agreement.

Proforma unaudited results for the company Inspiration Healthcare Group plc (formally known as Inditherm plc) for the 6 months to 30 June 2015

The following financial statements have been prepared for the company on the basis of the standalone entity and are prepared to show the performance of the company had the reverse takeover not been completed on 24 June 2015. Save for the issue of shares, the valuation of the Investment made and the transactions and related exceptional costs incurred.

Unaudited Consolidated Statement of Comprehensive Income

	6 months ended 30-Jun 2015 £'000	6 months ended 30-Jun 2014 £'000	Audited Year ended 31-Dec 2014 £'000
Revenue	962	998	1,847
Cost of sales	(414)	(474)	(843)
Gross profit	548	524	1,004
Operating Expenses	(1,274)	(699)	(1,403)
Operating loss	(726)	(175)	(399)
Analysed as:			
Operating loss before exceptional items	(147)	(175)	(356)
Exceptional items	(579)	-	(43)
Operating Loss	(726)	(175)	(399)
Finance income	1	2	4
Loss on ordinary activities before taxation	(725)	(173)	(395)
Taxation	-	-	20
Loss for the period attributable to the owners of the parent company	(725)	(173)	(375)

Unaudited Consolidated Statement of financial position

	As at 30-Jun 2015	As at 30-Jun 2014	Audited As at 31-Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	33	45	36
Intangible assets	2	-	3
Investments	7,156	-	-
	7,191	45	39
Current assets			
Inventories	174	220	189
Trade and other receivables	268	384	284
Current tax asset	18	16	36
Cash and cash equivalents	858	1,313	1,165
	1,318	1,933	1,674
Total assets	8,509	1,978	1,713
Liabilities			
Current liabilities			
Trade and other payables	(609)	(271)	(220)
Deferred Income	(87)	(78)	(87)
	(696)	(349)	(307)
Non-current liabilities			
Deferred Income	(100)	(148)	(124)
Total liabilities	(796)	(497)	(431)
Net assets	7,713	1,481	1,282
Shareholders' equity			
Called up share capital	3,067	511	511
Share premium account	14,529	9,929	9,929
Share based payment reserve	155	152	155
Accumulated losses	(10,038)	(9,111)	(9,313)
Total equity	7,713	1,481	1,282
Total liabilities and equity	8,509	1,978	1,713

Unaudited Consolidated Statement of Cash Flows

	6 months ended 30-Jun 2015 £'000	6 months ended 30-Jun 2014 £'000	Audited Year ended 31-Dec 2014 £'000
Net operating loss for the period before exceptional items	(147)	(175)	(356)
Exceptional items	(579)	-	(43)
Cash flows from operating activities			
Share based payments	-	4	7
Depreciation and amortisation	4	12	22
Decrease/(increase) in inventories	15	(1)	30
Decrease/(increase) in trade and other receivables	16	(35)	65
Increase/(decrease) in trade and other payables	389	(97)	(148)
Decrease in deferred income	(24)	(35)	(50)
Taxation refund	18	12	12
Net cash inflow from operating activities	(308)	(315)	(461)
Cash flow from investing activities			
Purchase of Investment	(7,156)	-	-
Purchase of property, plant and equipment	-	(9)	(10)
Capitalised development costs	-	-	(3)
Net cash used in investing activities	(7,156)	(9)	(13)
Share Issued	7,156	-	-
Interest received	1	2	4
Net cash generated from financing activities	7,157	2	4
Net decrease in cash and cash equivalents	(307)	(322)	(470)
Cash and cash equivalents at the beginning of the period	1,165	1,635	1,635
Cash and cash equivalents at the end of the period	858	1,313	1,165

Copies of the announcement will be sent to shareholders and are available to members of the general public from the Company Secretary, Inspiration Healthcare Group plc, Inditherm House, Houndhill Park, Bolton Road, Wath upon Dearne, S63 7LG or via the Company website at www.inspiration-healthcare.com