19 July 2018

Versarien plc

("Versarien" or the "Company" or the "Group")

Preliminary Results for the year ended 31 March 2018

Versarien Plc (AIM:VRS), the advanced engineering materials group, is pleased to announce its unaudited results for the year ended 31 March 2018.

Financial highlights

- Group revenues increased by 52% to £9.02 million (2017: £5.93 million)
- LBITDA* decreased by 33% to £0.8 million (2017: £1.2 million)
- Loss before tax decreased by 27% £1.6 million (2017: £2.2 million)
- Cash at 31 March 2018 of £2.3 million (2017: £1.4 million)
- Net assets increased by 23% to £8.0 million (2017: £6.5 million)
- Successful fundraising of £2.9 million gross in November 2017

* LBITDA (Loss before interest, tax, depreciation and amortisation) excludes exceptional items and share based payment charges.

Operational highlights

- Eight graphene application collaboration agreements secured during the year, with a further five entered into post period, with more in the pipeline
- Asian graphene expansion targeted through incorporation of intermediate Hong Kong holding company
- Continued investment in graphene manufacturing capability to support collaborative application agreements and increase maximum capacity to almost 3 tonnes
- Graphene interest in China on-going with 24 potential partners now identified. Joint ventures will be determined by funding levels and IP protection
- US expansion targeted through a local sales office in Palo Alto and appointment as inaugural Council Member of the US National Graphene Association
- UK Government support provided through the secondment of its Head of Outward Direct Investment
- Hexotene ™ and Graphinks ™ launched to further strengthen the Group's range of commercially available two dimensional materials

- Mature businesses showing much improved financial performance

Commenting on the results, Neill Ricketts, Chief Executive Officer of Versarien, said:
"The year to 31 March 2018 was one of considerable progress for Versarien in both our emerging technologies and more mature businesses. The graphene businesses have had a very exciting year having entered into a number of collaborations to incorporate our high quality Nanene™ and Graphinks™ in a variety of different uses such as packaging, aerospace and sports equipment. We continue to work towards collaborations with one or more Chinese partners to enable us to manufacture and promote our high quality products in China. New production equipment is on order for scale up in the UK, we have substantially strengthened our team and I consider Versarien to be extremely well placed to produce the quantities needed for the commercialisation of these collaborations when required.

"Our hard wear business has shown much improvement increasing its sales and returning to profitability. Our plastics business is focusing on efficiency improvements to further increase its returns and cash generation whilst also moving towards the incorporation of graphene into moulded parts.

"We would like to take this opportunity to thank our continually supportive investor base and our employees for their hard work as we look forward to the future with optimism and confidence."

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Notes to Editors:

About Versarien

Versarien plc (AIM:VRS), is an advanced engineering materials group. Leveraging proprietary technology, the Group creates innovative engineering solutions for its clients in a diverse range of industries. Versarien has five subsidiaries operating under two divisions:

Graphene and Plastics

2-DTech Limited, which specialises in the supply, characterisation and early stage development of graphene products. www.2-dtech.com

AAC Cyroma Limited, which specialises in the supply of vacuum-formed and injection-moulded products to the automotive, construction, utilities and retail industry sectors. Using

Versarien's existing graphene manufacturing capabilities, AAC will have the ability to produce graphene-enhanced plastic products. www.aaccyroma.co.uk

Cambridge Graphene Ltd, supplies novel inks based on graphene and related materials, using patented processes to develop graphene materials technology.
www.cambridgegraphene.com

Hard Wear and Metallic Products

Versarien Technologies Limited has developed an additive process for creating advanced micro-porous metals targeting the thermal management industry and supplies extruded aluminium. www.versarien-technologies.co.uk

Total Carbide Limited, a leading manufacturer in sintered tungsten carbide for applications in arduous environments such as the oil and gas industry. www.totalcarbide.com

Chief Executive's statement

Versarien consists of two main business segments; Graphene and Plastic Products focussed on delivering graphene solutions through plastics and carbon fibre composites and Hard Wear and Metallic products focussed on delivering aluminium and tungsten carbide products.

Graphene and Plastic Products

It has been a year of noteworthy progress for the graphene business both commercially and developmentally. Our strategy remains the same, which is to be a supplier of high quality graphene through our Nanene™ and Graphinks™ branded products and to continue to enter into application collaborations to maximize the opportunity for exponential growth as the market understands the advantages that graphene can be bring. This is being accelerated through UK Government support by the secondment of the Head of Outward Direct Investment, which gives us access to a global corporate audience.

The introduction of ISO/TS 80004-13: 2017 last year was a welcome development as it defined the vocabulary for graphene and two dimensional related materials. We are confident that our products meet the criteria.

In line with our strategy, we are pleased to have announced the following collaborations/agreements during the period and post the year end, and can provide an update on their current status as follows:

Date	Description	Current status
October 2017	Collaboration with Israel Aerospace Industries	Test panels have been produced and tested with additional surfactants now being added.
November 2017	Collaboration with Global Consumer Goods Company	Plastic bottles have been produced using graphene enhanced polymers which are currently undergoing physical testing. Blown film trials are being conducted with results expected in the next two months.
December 2017	Agreement with Global Chemical Major	Blown film trials have been conducted. Performance results and film material has been analysed. A second round of trials are underway with results expected in the next two months.
January 2018	Agreement with Global Apparel Manufacturer	Fabric samples enhanced with graphene have been delivered which show a significant improvement in thermal conductivity of the fabric. Larger scale trials are underway which will include the required production process.
February 2018	Medical Technology collaboration at Addenbrooke's hospital	Electronics and printing for a medical bandage have developed to produce demonstration devices. The electronics will be available for other medical, sports or clothing related applications.
February 2018	Agreement with the shoemaker Vivobarefoot	Initial testing concluded and further testing now being carried out with various graphene loadings. Results expected shortly.
March 2018	Collaboration with Team Sky for cycling equipment	Applications and potential benefits have been reviewed and specific applications are being developed.
March 2018	Collaboration with world leading aerospace group	Applications of graphene into a propeller have been reviewed and a schedule of initial works with a total value of £0.2 million has been defined.
April 2018	Agreement with Luxus	Graphene enhanced polymers and recycled polymers being are evaluated for customer projects. Initial results are expected shortly.
May 2018	Consumer goods collaboration for polymer structures in plastics	Polymers compounded with graphene have been shipped to customer with test results expected shortly.
June 2018	Agreement with Arrow Green Tech	Samples have been shipped to the customer who has conducted tests.
June 2018	Commercial agreement with MediaDevil	Earphones have been tested, demonstrating significant benefits. The product is now ready for production. Prototype phone accessories are being produced at AAC Cyroma and production units under development.
July 2018	Collaboration with ZapGo Ltd	Development of supercapacitors by the addition of Nanene to improve electrical conductivity of supercapacitor cells.

Initial quantities of our high quality graphene (Nanene™) have been supplied to support these collaborations, in some cases supplemented by other Versarien two dimensional materials. In line with the broader market, our graphene related sales are still at an embryonic stage, with the prospect for exponential growth from existing and new collaborations in place.

We have continued to invest in our graphene manufacturing capability to support collaborative application agreements and have also ordered additional equipment that will see our graphene capacity reach a maximum of almost 3 tonnes. Shareholders will be aware that we take a prudent view on capital commitments and scale-up as and when demand dictates we do so. Our European equipment supplier is aware that market-take up will require either significant quantities of standard equipment or custom designed equipment and we intend to enter into a collaboration with them at the earliest opportunity.

We have launched another two-dimensional product during the year, Hexotene™, which is a few layer hexagonal boron nitride (h-Bn) nanoplatelet powder, also known as “white graphene”. With the introduction of this product, it widens the focus of Versarien in delivering innovative solutions for industry.

Our focus is now on continuing to win further collaborations and orders, increasing production for those wishing to use and evaluate the benefits of using our products, both in the UK and globally, and in particular with partners in China. We entered into a letter of intent earlier in the year with Jinan, the capital of Shangdong Province and have been in discussions since. Interestingly, the announcement of this has resulted in possible links with another 23 cities or companies in China and we are therefore evaluating the best options for international expansion. We are conscious that in doing so we should seek to protect, as far as possible, the IP as well as conclude the best deal for Versarien and its shareholders.

The appointment of a secondee from the UK Government’s Department for International Trade (DIT) in May 2018 is a significant step for our international development and we are confident that we will successfully progress our overseas investment ambitions.

We purchased AAC in 2016 as a strategic move to enable us to use graphene in moulded plastics. This is now progressing following the announcement of the commercial agreement with Media Devil where we are looking to incorporate Nanene into mobile phone accessories produced by AAC for the consumer market. AAC’s existing business is also providing a useful contribution to the Group’s revenues.

Hard Wear and Metallic Products

Our hard wear parts business has had a successful year, returning to profitability and increasing revenues. It has continued to receive orders from the aerospace industry and, is continuing to seek contracts in other sectors

We have taken the strategic decision to concentrate on graphene opportunities so are no longer looking to actively develop thermal copper foam, albeit that interest for it is still being shown in some sectors. Sales of traditional thermal and other aluminium products, have remained steady but are not expected to form a core part of the business moving forwards.

Key performance indicators

As a Group that consists of mature products supporting the development of early stage technology products, we concentrate on the following financial metrics:

	2018 **£'000**	2017 £'000
Revenue	9,024	5,928
Gross margin percentage	28%	24%
Loss before interest, tax, depreciation, amortisation, exceptional costs and share based charges	(801)	(1,243)
Cash (used)/generated by Graphene and Plastic Products	(1,736)	55
Cash generated/(used) by Hard Wear and Metallic Products	43	(851)
Cash raised/(utilised) by parent (before loans to/from subsidiaries)	2,622	515
Net Cash raised and generated/(used) by the Group	929	(281)

Current trading and outlook

The current financial year has started positively, with the graphene business having entered into five significant collaborations since the year end, including an agreement with MediaDevil to launch a new range of earphones and audio equipment which will utilise our Nanene brand. This is the first time it has been used with consumer goods, and will see Versarien receive a royalty on each product sold.

We have also received initial purchase orders for Nanene both in the UK and China. We anticipate this trend of new collaboration agreements being secured, continuing. We therefore look forward with real optimism and confidence to the year ahead.

Neill Ricketts
Chief Executive Officer

Financial Review

Versarien's revenue for the year ended 31 March 2018 was £9.0 million (2017: £5.9 million) with operating losses before exceptional costs, depreciation, amortisation and share based payment charges of £0.8 million (2017: £1.2 million).

Net exceptional costs were minimal at £0.03 million (2017: £0.26 million) and the loss before tax for the year was £1.6 million (2017: £2.2 million).

We have seen the value that AAC Cyroma has brought to the Group, having owned it for the whole financial year, with revenues of £4.6 million (2017: £2.5 million; 6 months to 31 March 2017) and EBITDA of £0.4 million (2017: £0.1 million; 6 months to 31 March 2017).

Total Carbide returned to profitability with revenues up 45% to £3.2 million (2017: £2.2million) returning EBITDA of £0.5 million (2017: LBITDA of £0.1 million) and Versarien Technologies revenues of £1.2 million (2017: £1.1 million) and LBITDA of £0.1 million (2017 £0.3 million).

We have continued to invest heavily in our graphene technology businesses as the level of collaborations has increased. Whilst these have yet to produce revenues of any material amount the quality and size of our collaboration partners gives us more than reasonable expectation that significant future revenues may be achieved. LBITDA for the year was £0.9

million (2017: £0.4 million)

Group net assets at 31 March 2018 were £8.0 million (2017: £6.5 million) including cash of £2.30 million (2017: £1.37 million) with £0.7 million of headroom on our invoice finance facilities (2017: £0.7 million). The directors consider this sufficient for our current activities over the coming twelve months having made certain assumptions, further details of which are contained below.

In November 2017 we successfully raised £2.9 million before expenses, with the issue being oversubscribed. This has allowed the Company to use the proceeds of the fundraising to purchase capital equipment and provide working capital to enable the various existing and prospective graphene related collaborations with global OEMs to be progressed.

Cash outflow from operating activities was £1.9 million (2017: £1.3 million) including an increase in working capital of £1.3 million (2017: £0.2 million decrease) arising mainly from increased revenues and the re-financing of plant at AAC. The Group invested £nil, net of cash, in acquisitions (2017: £1.3 million), £0.1 million (2017: £0.05 million) in capitalised development costs, and £0.3 million (2017: £1.0 million) in plant and machinery.

Going concern

The financial statements, which are not yet approved, have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons:

- The Group meets its day-to-day working capital requirements through careful cash management and the use of its invoice discounting facilities.
- As at 31 March 2018, the Group had bank balances totalling £2.3 million with £0.7 million of headroom on its invoice discounting facilities.

The Directors have prepared detailed projections of expected future cash flows for a period of twelve months from the date of issue of this preliminary statement. These show that the Group is expected to have sufficient cash available to meet its obligations as they fall due for the foreseeable future (at least twelve months). These projections assume modest sales growth in the mature revenue generating businesses.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future (at least twelve months). For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Chris Leigh
Chief Financial Officer

Group statement of comprehensive Income (unaudited)

Year ended 31 March 2018

	Notes	**2018 £'000**	2017 £'000
Continuing operations			
Revenue	2	**9,024**	5,928
Cost of sales		**(6,496)**	(4,531)
Gross profit		**2,528**	1,397
Other operating income		**63**	180
Operating expenses (including exceptional items)		**(4,102)**	(3,769)
Loss from operations before exceptional items		**(1,477)**	(1,929)
Exceptional items	3	**(34)**	(263)
Loss from operations		**(1,511)**	(2,192)
Finance costs		**(50)**	(11)
Finance income		**-**	1
Loss before income tax		**(1,561)**	(2,202)
Income tax		**63**	-
Loss for the year		**(1,498)**	(2,202)
Loss attributable to:			
- Owners of the parent company		**(1,381)**	(2,132)
- Non-controlling interest		**(117)**	(70)
		(1,498)	(2,202)
Loss per share attributable to the equity holders of the Company:			
Basic and diluted loss per share	5	**(1.00)p**	(1.85)p

There is no other comprehensive income for the year.

Group statement of financial position (unaudited)

As at 31 March 2018

	Notes	**2018 £'000**	2017 £'000
Assets			
Non-current assets			
Intangible assets	6	**2,678**	2,923
Property, plant and equipment	7	**2,980**	3,106
Deferred taxation		**25**	25
		5,683	6,054
Current assets			
Inventory		**1,961**	1,888
Trade and other receivables		**2,437**	1,906
Current tax		**77**	39
Cash and cash equivalents		**2,296**	1,367
		6,771	5,200
Total assets		**12,454**	11,254
Equity			
Called up share capital	8	**1,486**	1,313
Share premium account	8	**12,529**	9,762
Merger reserve		**1,256**	1,256
Share-based payment reserve		**187**	115
Retained losses		**(7,225)**	(5,844)
Equity attributable to owners of the parent company		**8,233**	6,602
Non-controlling interest		**(254)**	(137)
Total equity		**7,979**	6,465
Liabilities			
Non-current liabilities			
Trade and other payables		**167**	271
Provisions		**-**	80
Deferred tax		**64**	64
Long-term borrowings		**456**	657
		687	1,072
Current liabilities			
Trade and other payables		**1,849**	2,363
Provisions		**80**	-
Current tax		**284**	363
Invoice discounting advances		**1,117**	735
Current portion of long-term borrowings		**458**	256
		3,788	3,717
Total liabilities		**4,475**	4,789
Total equity and liabilities		**12,454**	11,254

Group statement of changes in equity (unaudited)

Year ended 31 March 2018

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Share-based payment reserve £'000	Accumulated losses £'000	Non-controlling Interest £'000	Total equity £'000
At 1 April 2016	**1,056**	**7,163**	**1,017**	**91**	**(3,712)**	**(67)**	**5,548**
Issue of shares	257	2,599	239	-	-	-	3,095
Loss for the year	-	-	-	-	(2,132)	(70)	(2,202)
Share-based payments	-	-	-	24	-	-	24
At 31 March 2017	**1,313**	**9,762**	**1,256**	**115**	**(5,844)**	**(137)**	**6,465**
Issue of shares	173	2,767	-	-	-	-	2,940
Loss for the year	-	-	-	-	(1,381)	(117)	(1,498)
Share-based payments	-	-	-	72	-	-	72
At 31 March 2018	**1,486**	**12,529**	**1,256**	**187**	**(7,225)**	**(254)**	**7,979**

Statement of Group cash flows (unaudited)

Year ended 31 March 2018

	Notes	**2018 £'000**	2017 £'000
Cash flows from operating activities			
Cash used in operations	9	**(1,907)**	(1,250)
Interest paid		**(50)**	(10)
Corporation Tax paid		**(9)**	-
Net cash used in operating activities		**(1,966)**	(1,260)
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)		**-**	(1,324)
Purchase of intangible assets		**(148)**	(52)
Purchase of property, plant and equipment		**(280)**	(977)
Net cash used in investing activities		**(428)**	(2,353)
Cash flows from financing activities			
Share issue		**3,069**	2,560
Share issue costs		**(129)**	(67)
Finance leases (net of repayments)		**1**	776
Invoice discounting loan proceeds		**382**	63
Net cash generated from financing activities		**3,323**	3,332
Increase/(decrease) in cash and cash equivalents		**929**	(281)
Cash and cash equivalents at beginning of year		**1,367**	1,648
Cash and cash equivalents at end of year		**2,296**	1,367

Notes (unaudited)

1. Basis of preparation

The consolidated financial statements consolidate the results of the Company and its subsidiaries (together referred to as the “Group”).

The financial information included in this preliminary announcement does not constitute statutory accounts of the Group for the years ended 31 March 2018 or 31 March 2017. The financial information for the year ended 31 March 2017 is derived from statutory accounts upon which the auditors have reported. Their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The auditors work on the statutory accounts of the Group for the year ended 31 March 2018 is not yet complete.

Both the consolidated financial statements and the Company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRSs”).

2. Segmental reporting

At 31 March 2018 the Group was organised into two business segments. Central costs are reported separately.

Information reported to the Group’s Chief Executive Officer for the purposes of resource allocation and assessment of performance is focused on the two principal business segments of graphene/plastic products and hard wear/metallic products and, accordingly, the Group’s reportable segments under IFRS 8 are based on these activities.

Segment profit/(loss) represents the profit/(loss) earned by each segment, including a share of central administration costs, which are allocated on the basis of actual use or pro rata to sales. This is the measure reported to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance.

The segment analysis for the period ended 31 March 2018 is as follows:

	Central £’000	Graphene and Plastic Products £’000	Hard Wear and Metallic Products £’000	Intra-group adjustments £’000	Total £’000
Revenue	-	4,643	4,385	(4)	9,024
Gross profit	-	1,198	1,330	-	2,528
Other operating income	-	9	54	-	63
Operating expenses	(695)	(1,918)	(1,437)	(52)	(4,102)
(Loss) from operations	(695)	(711)	(53)	(52)	(1,511)
Finance income/(charge)	-	(21)	(29)	-	(50)
(Loss) before tax	(695)	(732)	(82)	(52)	(1,561)
Total assets	9,264	4,575	4,911	(6,296)	12,454
Total liabilities	(897)	(5,358)	(4,345)	6,125	(4,475)
Net assets/(liabilities)	8,367	(783)	566	(171)	7,979
Capital expenditure	2	373	53	-	428
Depreciation/amortisation and impairment	5	227	511	52	795

The segment analysis for the period ended 31 March 2017 is as follows:

	Central £'000	Graphene and Plastic Products £'000	Hard Wear And Metallic Products £'000	Intra-group adjustments £'000	Total £'000
Revenue	-	2,628	3,300	-	5,928
Gross profit	-	685	712	-	1,397
Other operating income	-	123	57	-	180
Operating expenses	(712)	(1,360)	(1,672)	(25)	(3,769)
(Loss) from operations	(712)	(552)	(903)	(25)	(2,192)
Finance income/(charge)	1	(9)	(2)	-	(10)
(Loss) before tax	(711)	(561)	(905)	(25)	(2,202)
Total assets	7,107	3,907	5,253	(5,013)	11,254
Total liabilities	(1,058)	(4,058)	(4,620)	4,947	(4,789)
Net assets/(liabilities)	6,049	(151)	633	(66)	6,465
Capital expenditure	4	130	947	-	1,081
Depreciation/amortisation	1	274	362	25	662

Geographical information

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2018 £'000	2017 £'000	**2018 £'000**	2017 £'000
United Kingdom	**7,657**	4,823	**5,683**	6,054
Rest of Europe	**1,002**	763	**-**	-
North America	**2**	11	**-**	-
Other	**363**	331	**-**	-
	9,024	5,928	**5,683**	6,054

3. Exceptional items

	2018 £'000	2017 £'000
Relocation and restructuring costs	**31**	154
Acquisition costs	**-**	105
Release of deferred consideration	**(80)**	-
Impairment of development costs (note 6) net of deferred grant income release	**72**	-
Other	**11**	4
	34	263

4. Dividends

As stated in the Company's AIM Admission Document, the Board will not be declaring or proposing any dividends until such time as the commercialisation of its product portfolio has generated sufficient distributable reserves from which to do so.

5. Loss per ordinary share

The calculation of the basic loss per share for the period ended 31 March 2018 and 31 March 2017 is based on the losses attributable to the shareholders of Versarien plc divided by the weighted average number of shares in issue during the year. The calculation of diluted loss per share is based on the basic loss per share adjusted to allow for the issue of shares on the assumed conversion of all dilutive options. However, in accordance with IAS 33 "Earnings Per Share" potential ordinary shares are only considered dilutive when their conversion would decrease the profit per share or increase the loss per share. As at 31 March 2018 there were 8,222,830 (2017: 3,819,862) potential ordinary shares which have been disregarded in the calculation of diluted loss per share as they were considered non-dilutive at that date.

	Loss attributable to shareholders £'000	Weighted average number of shares £'000	Basic loss per share pence
Year ended 31 March 2018	**(1,381)**	**138,208**	**(1.00)**
Year ended 31 March 2017	(2,132)	115,292	(1.85)

6. Intangible assets

	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 1 April 2016	**1,023**	**1,164**	**2,187**
Acquisitions	1,144	179	1,323
Additions	—	52	52
At 1 April 2017	**2,167**	**1,395**	**3,562**
Additions	—	148	148
At 31 March 2018	**2,167**	**1,543**	**3,710**
Accumulated amortisation and impairment			
At 1 April 2016	—	**277**	**277**
Amortisation charge	—	362	362
At 1 April 2017	—	**639**	**639**
Amortisation charge	—	202	202
Impairment	—	191	191
At 31 March 2018	—	**1,032**	**1,032**
Carrying value			
At 31 March 2018	**2,167**	**511**	**2,678**
At 31 March 2017	2,167	756	2,923

The impairment of Other Intangibles relates to development costs in Versarien Technologies Limited as per exceptional items, note 3.

Other intangible assets

	31 March 2018 £'000	31 March 2017 £'000
Customer relationships/order books	**113**	167
Development costs	**235**	410
Licence	**33**	42
Intellectual property	**130**	137
Total	**511**	756

7. Property, plant and equipment

Group	Plant and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 April 2016	**6,243**	**16**	**6,259**
Additions	573	456	1,029
Acquisitions	2,891	16	2,907
Disposals	(683)	-	(683)
At 1 April 2017	**9,024**	**488**	**9,512**
Additions	250	30	280
Disposals	(27)	-	(27)
At 31 March 2018	**9,247**	**518**	**9,765**
Accumulated depreciation			
At 1 April 2016	**4,770**	**2**	**4,772**
Acquisitions	1,948	6	1,954
Charge for the year	288	12	300
Disposals	(620)	-	(620)
At 1 April 2017	**6,386**	**20**	**6,406**
Acquisitions	-	-	-
Charge for the year	372	30	402
Disposals	(23)	-	(23)
At 31 March 2018	**6,735**	**50**	**6,785**
Net book value			
At 31 March 2018	**2,512**	**468**	**2,980**
At 31 March 2017	2,638	468	3,106

Plant and equipment includes the following amounts where the Group is a lessee under finance leases and hire purchase contracts:

	Group 2018 £'000	Group 2017 £'000
Cost	**3,889**	3,530
Accumulated depreciation	**(2,326)**	(2,089)
Net book value	**1,563**	1,441

8. Called up share capital and share premium

	Number of shares '000	Ordinary shares £'000	Share premium £'000	Total £'000
At 1 April 2016	**105,631**	**1,056**	**7,163**	**8,219**
Issue of shares	25,700	257	2,599	2,856
At 31 March 2017	**131,331**	**1,313**	**9,762**	**11,075**
Issue of shares	17,334	173	2,767	2,940
At 31 March 2018	**148,665**	**1,486**	**12,529**	**14,015**

9. Cash used in operations

	2018 £'000	2017 £'000
Loss before tax	**(1,561)**	(2,202)
Adjustments for:		
Share-based payments	**72**	24
Depreciation	**402**	300
Amortisation	**202**	362
Impairment	**191**	-
Disposal of non-current assets	**4**	11
R&D tax credit repayment	**72**	-
Finance cost	**50**	10
(Increase)/decrease in trade and other receivables	**(569)**	169
Increase in inventories	**(73)**	(63)
Increase/(Decrease) in trade and other payables	**(697)**	139
Cash flows from operating activities	**(1,907)**	(1,250)

10. Report and accounts

Copies of the 2018 Annual Report and Accounts will be posted to shareholders in due course once they are finalised and approved. Further copies may be obtained by contacting the Company Secretary at the registered office. In addition, the 2018 Annual Report and Accounts will be available to download from the investor relations section on the Company's website www.versarien.com.

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