22 March 2016

Source BioScience plc

("Source BioScience" or "the Group")

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

Another year of record-breaking financial performance

Source BioScience plc (LSE: SBS), the international Laboratory Services and Products business announces its unaudited preliminary results for the year ended 31 December 2015.

Financial highlights

- Revenue increased to £26.3 million (2014: £25.2 million)
- Adjusted* EBITDA increased by 13% to £5.8 million (2014: £5.1 million)
- Adjusted* profit before tax increased by 15% to £3.3 million (2014: £2.8 million)
- Profit before tax up 40% to £2.0 million (2014: £1.4 million)
- EPS increased by 50% to 0.45p basic (2014: 0.30p basic)
- Cash generated from operations of £4.6 million (2014: £2.8 million)
- Cash balance of £4.4 million (2014: £2.6 million) and net debt of £3.7 million (2014: £4.3 million)

*Adjusted results are stated after eliminating non-recurring acquisition and restructuring costs of £644,000 (2014: £808,000) and amortisation of intangibles arising from acquisitions of £636,000 (2014: £614,000). The adjusted results have been included to present a fair comparison of the progress in the underlying business.

Operational highlights

- Acquisition of Select Pharma Laboratories Ltd ('Select') in August 2015 for up to £7.3 million in cash
- Over 1 million DNA sequencing reads delivered in the year, an increase of more than 15%; supported by the roll out of ultra-fast, 10-hour sequencing from the Group's Atlanta facility
- Commissioned high throughput, high capacity serology production capability and serology laboratories at the Group's Rochdale site including "Class A" GMP clean room facilities
- Launch of enhanced Just Between Us™ online sexual health service including access to at-home sampling for HIV, syphilis, hepatitis B and C in addition to an online prescription service
- Award of first contract with the European Centre for Disease Control ('ECDC') for next generation DNA sequencing, worth up to €1.2 million over three years

Post-period events

- Launch of the world's first environmentally controlled -70^{0}C walk-in chamber, the flagship Polar 50™; first Polar50™ installed in the Group's Rochdale facility with applications in research and drug manufacturing
- Analytical chemistry laboratory commissioned in Rochdale initiating the roll-out programme for analytical testing across the Group's stability storage sites

Laurie Turnbull, Chairman of Source BioScience, said:

"I am delighted to be reporting to shareholders another year of record-breaking financial performance for Source BioScience.

"During 2015 we completed the acquisitions of Select and BritainsDNA and invested in a number of infrastructure projects to improve operational efficiencies, enhance capacity to meet demand and address new markets for our expanded portfolio of Laboratory Services and Products.

"The successful integration of the acquired businesses, both operationally and commercially, in conjunction with the ongoing delivery of a more efficient business, can be seen from the increase in gross margin to 50% (2014: 48%). This highlights the ability of Source BioScience to leverage our laboratory infrastructure and expertise across the entire Group.

"Source BioScience now offers a broad portfolio of Laboratory Services and Products to customers, extending its reach into new geographical markets, providing not only a more diversified and balanced business but also outstanding opportunities for increased sales and expansion of our business in the UK and internationally."

- Ends -

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About Source BioScience

Source BioScience plc (LSE: SBS) is a trusted provider of state of the art Laboratory Services and Products to the healthcare and clinical, life and applied sciences and biopharma industries. It is an international business operating ten state of the art facilities in five countries and with customers in over 90 countries worldwide. The Group offers a complementary portfolio of Laboratory Services and Products that share common technologies, laboratory processes, infrastructure and expertise. These include Diagnostics, DNA Sequencing and Genomics, Analytical and Regulated Services, Clinical Products, Life Science Research Reagents and Controlled Environment Storage for a diverse range of markets. These Laboratory Services and Products are provided to a large and diverse customer base including the top 50 pharmaceutical companies, leading universities and research institutes worldwide, the UK NHS and other healthcare providers. The Group is listed on the Premium Main Market of the London Stock Exchange.

Cautionary statement

This preliminary announcement contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Source BioScience plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in these Preliminary Results should be construed as a profit forecast.

Chairman's Statement

Overview

Source BioScience has delivered another year of strong financial performance with profit before tax and cash generation greater than in any previous year.

The acquisition of Select in August 2015 was the most recent step in the Board's strategy to enhance the Group's Laboratory Services capability and roll out its highly respected and accredited outsourced laboratory service offering into new and adjacent markets.

The acquisition provides the Group with the expertise and capability to provide stability testing and Quality Control product and batch release testing services that are highly complementary with the Group's stability storage services. The integration is progressing well and to plan.

The enhanced range of services and products enables the Group to offer a "one stop shop" for a number of customer requirements, in particular those requiring a regulated clinical trial, stability storage and analytical testing service. The cohesion and commonality of the operational infrastructure, expertise and extended geographic reach is critical to driving the growth of the business. This represents a "joined up" business built on common technology platforms and infrastructure, laboratory processes and intellectual capital which now extends across ten facilities internationally.

As a result of the rapid integration of the acquired businesses, and the subsequent leveraging of the expanded portfolio and geographic reach, the Board is again pleased to report that all key financial metrics are ahead of the previous year:

Summary results

	2015 £'000	2014 £'000	% change
Revenue	**26,302**	25,175	+4%
Gross profit	**13,275**	12,244	+8%
Adjusted* EBITDA	**5,759**	5,089	+13%
Adjusted* profit before tax	**3,263**	2,837	+15%
Reported profit before tax	**1,983**	1,415	+40%
EPS (basic)	**0.45p**	0.30p	+50%
Cash generated from operations	**4,623**	2,822	+64%

*Adjusted results are stated after eliminating non-recurring acquisition and restructuring costs of £644,000 (2014: £808,000) and amortisation of intangibles arising from acquisitions of £636,000 (2014: £614,000). The adjusted results have been included to present a fair comparison of the progress in the underlying business.

Divisional performance

A summary of the activities and performance of the Laboratory Services and Products divisions is presented below. More detail is provided in the Business Review.

Laboratory Services

Laboratory Services comprises the laboratory and analytical services activities of the Group including diagnostic testing for cancer and infectious disease; DNA sequencing and contract research activities; stability storage and downstream analytical testing.

Revenue increased by 17% to £15.6 million (2014: £13.3 million) and divisional operating profit increased by 16% to £5.5 million (2014: £4.7 million).

The main drivers of the revenue growth were the expansion of the Analytical and Regulated Services offering, including the acquisition of Select, and continued growth of the DNA Sequencing and Genomic Services business both in the UK and internationally.

Diagnostics

The Diagnostics business provides expert histopathology (tissue analysis), molecular diagnostics (gene-based analysis) and companion diagnostic testing services to public and private healthcare providers, including the UK National Health Service ('NHS'). There are a number of applications for this combination of capability, including cancer diagnostics and sexually transmitted infection ('STI') testing. The Company has expanded the Just Between Us™ STI service during the year to provide home-sampling for HIV, syphilis, hepatitis B and C testing in addition to an online prescription service.

DNA Sequencing and Genomic Services

The DNA Sequencing and Genomic Services business provides ultra-fast DNA sequencing delivered across the Group's international network of laboratories to academic research groups, biotechnology and pharmaceutical customers.

During 2015 the Group processed over 1 million customer samples for DNA sequencing, 15% up on 2014. The momentum is being sustained by the introduction of new services and the expansion of Source BioScience's laboratory network. The DNA sequencing service was launched from the Group's facilities in Atlanta during the year, providing customers in the south east of the USA with access to sequencing data within ten hours of submitting their samples.

Analytical and Regulated Services

The Analytical and Regulated Services business provides support for drug discovery and drug manufacture, from biomarker discovery and clinical trial services through stability storage and analytical testing to sample archiving under environmentally controlled conditions.

Revenue from stability storage and analytical testing was up by more than 50% compared with the prior year. This includes incremental revenue following the acquisition of Select in addition to like for like revenue growth of 17%, driven by an increase in the number of stability storage trials.

The stability storage activities are delivered from five sites in Rochdale, Stirling, Tramore (Ireland), Atlanta and Los Angeles. At these sites, customers from biopharma and life science research can access stability storage, -80^{o}C and ultra-low temperature (liquid nitrogen) storage. In the majority of cases, stability storage contracts with customers are multi-year arrangements, typically for a period of three years.

The acquisition of Select greatly expands the range of analyses that the Group can offer. The ability to perform gene-based analysis and downstream analytical testing for stability and cryo-storage customers at a single, accredited site can significantly de-risk sample handling and specimen transport. This is attractive to pharmaceutical and biotech companies who may only have a very limited number of extremely valuable samples and specimens. The enhanced offering of sample storage in conjunction with analytical laboratory expertise has already led to new opportunities being crystallised with biopharma customers.

Products

Products comprises the portfolio of Clinical Products, including serology products for blood and tissue banking and cytology products for cervical cancer screening, and the portfolio of Life Science Research Reagents, including cDNA clones and other biomolecular tools.

In addition, the Group designs, manufactures and installs a range of high quality, standard and bespoke, controlled environment systems that provide climatic conditions specified to customer requirements. Typically, customers are pharmaceutical companies, healthcare products manufacturers and contract research laboratories looking to establish in-house stability and speciality storage capability.

Divisional operating profit increased to £2.7 million (2014: £2.4 million) on decreased revenue of £10.7 million (2014: £11.9 million). The reduction in revenue was due principally to the ongoing decline in the number of liquid based cytology tests being undertaken by the NHS Cervical Screening Programme, as reported previously. Despite decreased revenue, the divisional profit improved as a result of manufacturing efficiencies and enhanced margins across the Products portfolio, particularly Controlled Environment products.

Clinical Products

The serology operation provides diagnostic products and other clinical grade reagents, including phosphate buffered saline solutions, to laboratories undertaking blood typing, tissue analysis and organ transplant. Customers include NHS Blood and Transplant and the portfolio complements the Diagnostics services operations with cross-selling opportunities apparent.

The commissioning of the state of the art, high throughput serology manufacturing suite, including "Class A" GMP clean room capability, at the Rochdale facility supports the next stage in accelerating the growth of the serology business. The enhanced capability increases the flexibility, productivity and gross margin of the serology manufacturing process.

With regard to the Group's cervical screening cytology activities, the expectation that the NHS will migrate across to HPV primary testing has been reported previously and the downward trend in liquid based cytology volumes is anticipated to continue. The Company actively manages the Clinical Products portfolio to minimise the impact of the anticipated and ongoing change in the dynamics of the NHS Cervical Screening Programme and there are opportunities for growth across other components of the Clinical Products portfolio.

Life Science Research Reagents

GenomeCUBE®, the Group's proprietary search engine and bioinformatics tool for the Group's product portfolio, has undergone further development during the year. GenomeCUBE® is a key component of the international growth strategy over the medium to longer term and ultimately all of the Group's products will be available through this platform. In conjunction with the improvements made to the website, e-commerce platform and eShop, the enhancements to GenomeCUBE® will enable the accelerated globalisation of the services and products portfolio, providing distributors and customers with fast and easy access to the entire portfolio.

Controlled Environment

The design and manufacture of stability storage and controlled environment chambers is highly complementary with the Analytical and Regulated Services business, including stability storage and stability testing services.

Customers demand high quality, controlled environment systems that satisfy the regulatory requirements for stability storage of pharmaceutical and other healthcare products. The Group provides a range of standard and bespoke systems that can be validated to meet the requirements of the MHRA and US Food and Drug Administration ('FDA') which is critical to regulatory approval of therapeutics and other healthcare products.

Controlled Environment manufacturing has performed well during 2015 with major improvements made to installation and validation efficiencies along with the increased use of outsourced manufacturing for certain components of the chambers. This has enabled the Company to be more competitive in key geographies, particularly the US and European markets, and revenue has increased by 25% compared with last year.

A number of new products have been launched to meet the demands of biopharma customers. In February 2016, the Group launched the world's first environmentally controlled -70^{o}C walk-in chamber, the flagship Polar50™. The first Polar50™ has been installed in the Rochdale facility, with applications in research and drug manufacturing.

Our people

Source BioScience's staff are critical to the success of the business and 2015 was another year of substantial improvement in Company performance. On behalf of the Board, I would like to thank everyone across the Group for their hard work and dedication and also welcome new employees who have joined the Source BioScience team over the past twelve months.

I would also like to reiterate my welcome to Tim Jackson-Smith who joined the Board as a Non-Executive Director during 2015. Tim has over 20 years' experience in legal practice in addition to significant, relevant experience in the listed-company environment, having served for more than eight years in both executive and non-executive director roles at a number of main market and AIM quoted companies. The Board is determined to recruit and retain the highest calibre individuals and Tim brings experience and an important, additional skill base as we continue with the implementation of the growth strategy.

Outlook

We believe that the Group has a very strong business model and opportunities for further growth are apparent across the Laboratory Services and Products divisions. The Board's strategy is to expand the service and product offering, enabling greater market penetration, with the objective of delivering increasing value for shareholders. The aim is to achieve this through continued organic growth from the enlarged infrastructure in addition to further, carefully selected acquisitions when the opportunities arise, building on the strong foundations now established in the business.

Laurie Turnbull
Chairman
22 March 2016

Business Review

Source BioScience is an international Laboratory Services and Products business supplying the healthcare, life science research and biopharma markets. The commercial activities of the Group are organised into two divisions: Laboratory Services and Products. The business activities and performance during 2015 and expectations for 2016 are described below.

Laboratory Services

Laboratory Services comprises the laboratory and analytical activities of the Group including diagnostic testing for cancer and infectious disease; DNA sequencing and contract research activities; stability and cryostorage in addition to downstream analytical services, including stability testing.

The Laboratory Services division has performed strongly in the year; revenue increased by 17% to £15.6 million (2014: £13.3 million) and divisional operating profit increased by 16% to £5.5 million (2014: £4.7 million).

Diagnostics

The Diagnostics business provides expert histopathology (tissue analysis), molecular diagnostics (gene-based analysis) and companion diagnostic testing services to public and private healthcare providers. These capabilities have traditionally been applied to cancer diagnostics but are increasingly being applied to meet additional diagnostic requirements, for example sexually transmitted infection testing.

Source BioScience operates one of only a limited number of accredited laboratories in Europe with the capability to deliver the combination of complex tissue-based pathology expertise coupled with DNA-based molecular testing to hospitals and clinics, as well as private individuals, providing a competitive advantage.

A major element of the Diagnostics activity is derived from the STI testing service, launched during the second half of 2013. The STI service is configured for two main customer groups:

- as an outsourced laboratory service for healthcare commissioning bodies, such as local authorities and NHS trusts, who are responsible for delivering the UK National Chlamydia Screening Programme
- to enable private individuals web-based access to home-sampling for STI testing

In all cases, samples are returned to Source BioScience's accredited diagnostic laboratories for analysis so that customers can be assured of the highest quality service and accuracy of results.

The National Chlamydia Screening Programme ensures Chlamydia testing is available for free for anyone aged between 16 and 24 years old and can be accessed via the Company's Don't Pass It On™ online service at **www.dontpassiton.co.uk**. The Company has a number of multi-year contracts with healthcare commissioners across the UK to deliver Chlamydia screening regionally.

For individuals not eligible for free testing under the National Chlamydia Screening Programme, and for infections other than Chlamydia, the Company offers the Just Between Us™ STI service which is a comprehensive, confidential home-sampling service accessible online at **www.jbuclinic.co.uk**. The service was significantly enhanced during the year to provide home-sampling for HIV, syphilis, hepatitis B and C testing, in addition to an online prescription service.

The Diagnostic offering is constantly monitored and reviewed to ensure that it meets existing and anticipated demand from customers. As highlighted above, the portfolio has been enhanced during the year, including the development and validation of proprietary assays for additional genetic tests for disease. These proprietary assays improve laboratory efficiency, reduce costs and provide competitive advantage.

Further applications for the Group's capability include non-invasive prenatal testing ('NIPT') which is currently at a very early stage of clinical utility, but represents a good opportunity for future growth. The Source BioScience NIPT service uses cutting-edge DNA sequencing technology to analyse foetal cell-free DNA from maternal blood for chromosomal abnormalities. Whilst invasive procedures such as amniocentesis and chorionic villus sampling carry a potential risk of miscarriage, NIPT is risk-free and can be performed as early as the tenth week of pregnancy. NIPT provides expectant mothers with an additional choice in the prenatal screening process. Combined with ultrasound/serum findings, parents can use the result to decide whether or not to undergo an invasive procedure. Growth in this area is expected in 2016.

DNA Sequencing and Genomic Services

The DNA Sequencing and Genomic Services business provides ultra-fast DNA sequencing services delivered by the Group's international network of laboratories and distributors to academic research groups, biotechnology and pharmaceutical companies. Source BioScience's ambition is to become the leading commercial provider of DNA sequencing in the UK and the USA.

The Group's ultra-fast service, with data delivery times of less than ten hours, and international laboratory network continues to power the growth of this business. Over 1 million customer samples for DNA sequencing were analysed during the year, an increase of 15% compared with the prior year. In 2015 the DNA sequencing service was launched from the Group's facilities in Atlanta for customers in the south east of the USA.

Analytical and Regulated Services

The Analytical and Regulated Services business provides support for the drug discovery to drug manufacture pipeline, from biomarker discovery and clinical trial services through stability storage and analytical testing to sample archiving under environmentally controlled conditions.

Accreditation by the relevant authorities is essential when providing services into the highly regulated pharmaceutical and contract manufacturing industry. The Group holds Good Laboratory Practice ('GLP'), Good Clinical Practice ('GCP') and Good Manufacturing Practice ('GMP') accreditation from the Medicines and Healthcare products Regulatory Agency ('MHRA'); is certified by the US Food and Drug Administration ('FDA') in both the USA and the UK; is licensed by the Home Office in the UK for the storage of controlled drugs and by the Human Tissue Authority ('HTA') for the long term storage of human cells for research and therapeutic use.

The stability storage activities are delivered from five sites in Rochdale, Stirling, Tramore (Ireland), Atlanta and Los Angeles. At these sites, customers in the biopharma and life science research markets can access stability storage, -80^{o}C and ultra-low temperature (liquid nitrogen) storage. In many cases, stability storage contracts with customers are multi-year arrangements typically for periods of three years.

The acquisition of Select greatly expands the range of analytical services that the Group can offer. In addition to the tissue pathology and genomic services historically provided, the acquisition of Select adds a complementary range of accredited pharmaceutical testing including chemistry, physical and microbiological analyses. This testing has applications in therapeutics batch release and product release to the EU and US healthcare markets.

The ability to combine the latest tissue and gene-based analyses with analytical chemistry and microbiology at a single, accredited facility significantly de-risks sample handling and specimen transport. This is attractive to pharmaceutical customers who may only have very limited and extremely valuable samples and specimens. Opportunities with biopharma customers have already been crystallised, resulting from the enhanced offering of stability storage in conjunction with upstream and downstream analytical testing.

Products

Products comprises the portfolio of Clinical Products, including serology products for blood and tissue banking and liquid based cytology products for cervical cancer screening, in addition to the portfolio of Life Science Research Reagents, including cDNA clones and other biomolecular tools.

The Group also designs, manufactures and installs a range of high quality, standard and bespoke, Controlled Environment reach-in and walk-in room systems that provide climatic conditions specified to customers' requirements.

Divisional operating profit increased to £2.7 million (2014: £2.4 million) on decreased revenue of £10.7 million (2014: £11.9 million). The reduction in revenue was due principally to the ongoing decline in the number of liquid based cytology tests being undertaken by the NHS Cervical Screening Programme, as reported previously. Despite decreased revenue, the divisional profit improved as a result of manufacturing efficiencies and enhanced margins across the Products portfolio, particularly Controlled Environment products.

Clinical Products

The serology operation provides diagnostic products and other clinical reagents, including phosphate buffered saline solutions, to laboratories undertaking blood typing and tissue analysis including NHS Blood and Transplant. This product portfolio complements the Diagnostics laboratory services with strong cross-selling opportunities.

The commissioning of the state of the art, high throughput serology manufacturing suite, including "Class A" GMP clean room capability, at the Rochdale facility supports the next stage in accelerating the growth of the serology business. The enhanced capability increases the flexibility, productivity and gross margin of the serology manufacturing process.

Demand for liquid based cytology products directly correlates with overall compliance levels with the NHS Cervical Screening Programme which, as we have previously observed, peaked in 2009. The increasing utilisation of HPV as a primary screen in the NHS Cervical Screening Programme will further reduce cytology volumes for Source BioScience as NHS trusts migrate to diagnostic platform manufacturers who can offer an approved HPV testing technology. During 2015 we experienced a reduction in volume demand for liquid based cytology products of approximately 25% and anticipate that this decline in demand will accelerate in the short term.

On 31 December 2015 the five-year non-exclusive distribution agreement between Becton Dickinson and Source BioScience for the distribution of the SurePath™ liquid based cytology technology in the UK ended as scheduled. Revised terms for the continued supply of liquid based cytology consumables have been proposed by Becton Dickinson and are under discussion between the parties. Source BioScience owns the laboratory equipment that is used by many NHS trusts to process SurePath™ liquid based cytology samples and has a number of ongoing contracts with the NHS for the rental of this equipment and supply of consumables.

Life Science Research Reagents

GenomeCUBE®, the Group's proprietary search engine and bioinformatics tool for the entire Products portfolio, has undergone further developments during the year. These have been aimed at enhancing the customers' buying experience and ensuring that GenomeCUBE® is configured appropriately to support the comprehensive digital marketing strategy for 2016 and beyond.

GenomeCUBE® is a key component of the international growth strategy over the medium to longer term and ultimately all of the Group's products will be available through this platform. In conjunction with the improvements made to the website, e-commerce platform and eShop, the enhancements to GenomeCUBE® will enable the accelerated globalisation of our products, providing distributors and customers, with fast and easy access to the Group's entire Products portfolio.

In December the Group acquired BritainsDNA, a provider of DNA-based ancestry and genealogy products to the consumer market. Source BioScience has been providing the laboratory testing and analysis for BritainsDNA for a number of years. The acquisition will deliver incremental revenue and increased operational efficiency for this business. The commercial activities will be migrated across to the Group's e-commerce platform and e-Shop early in 2016.

Controlled Environment

The design and manufacture of stability storage and controlled environment chambers is highly complementary with the Group's Analytical and Regulated Services business, including stability storage and stability testing services, as described above.

Customers demand high quality, controlled environment systems that meet the regulatory guidelines for stability storage for pharmaceutical and other healthcare products. The Group provides a range of standard and bespoke systems that can be validated to meet the requirements of the MHRA and FDA which is critical to regulatory approval of therapeutics and other healthcare products. Regulatory requirements include ICH Tripartite Guidelines for stability storage conditions for biotechnology, pharmaceutical and contract manufacturing. These specified conditions simulate the four global climatic zones for long term, intermediate and accelerated stability testing.

Management focus, coupled with investment in bespoke systems, has been applied to the Controlled Environment business over the past two years. Fundamental changes have been made to the supply chain and manufacturing processes, with increasing use made of specialist outsourced manufacturing suppliers. These changes have helped support both revenue growth, which has increased by 25% compared with 2014 and, importantly, the gross margin for the Controlled Environment portfolio, which has increased by more than 90% over the same period.

The process improvements have also laid the foundations for further investment into, and expansion of, the Controlled Environment portfolio to support the Board's ambition to extend this business into Europe and the USA.

In February 2016 the Company announced the launch of the flagship Polar50™, the world's first environmentally controlled -70^{o}C walk-in chamber. The chamber, which has an internal capacity of 50m^{3}, offers customers from industry and academia a unique opportunity to store biological, pharmaceutical and medical products at ultra-low temperatures. The chamber provides -70^{o}C storage capability with a +/- 1% tolerance, maintained by a custom manufacture dual refrigeration system, providing 100% operational redundancy to ensure 24/7 compliance with a controlled environment.

Integration of Select and expansion of laboratory network

The acquisition of Select in August 2015 was the most recent step in the Board's strategy to enhance the Laboratory Services capability and roll out the highly regarded and accredited outsourced laboratory service model into new and adjacent markets. The acquisition provides the expertise and capability to provide stability testing and Quality Control product and batch release testing services that are highly complementary with the Group's stability storage services. The integration is progressing well and to plan.

The acquisition also increased the Group's laboratory network to ten facilities internationally. The ambition of the Board is to roll out the full spectrum of Laboratory Services across all sites where the commercial opportunities exist to exploit the capability. This is an ongoing process and progress has been reported previously including the launch of the ultra-fast DNA sequencing service from Atlanta early in 2015.

In February 2016 the Company hosted an open day for customers to visit the analytical chemistry laboratories in Rochdale. This new laboratory is the first step in the roll-out programme of analytical chemistry capability across the Group's five stability storage sites, leveraging the expertise acquired with the Select business. The new Rochdale laboratory is anticipated to come on-stream during the second quarter of 2016 following audit and certification by the MHRA.

In parallel the Group has increased its commercial investment to exploit the new markets for Laboratory Services and Products. The US market represents a significant opportunity for the growth of the Source BioScience business and the necessary investment has been made in infrastructure and people to deliver this.

Financial Review

Financial performance

Group revenue increased to £26.3 million (2014: £25.2 million). Whilst the UK remains the largest market for the Group, strategies to increase the penetration of overseas markets are starting to gain traction. During the year, sales to non-UK customers increased by 19% to £6.0 million (2014: £5.0 million) with European customers representing the greatest element of the increase.

Gross margin improved to 50% (2014: 48%), generated from the operational gearing inherent within the laboratory and production infrastructure, coupled with close management of the cost base. In the current economic environment with constant pressure on prices and rising input costs, the Board believes this represents a solid performance.

Normal administrative expenses were broadly consistent as a percentage of revenue at 26% (2014: 25%), the slight increase representing the additional cost base acquired with Select and the additional investment in marketing and other commercial activities. Ongoing administrative expenses are largely fixed and appropriate to the increasing scale of the business.

On a reported basis, the operating profit for the year was £2.3 million (2014: £1.8 million profit), an increase of 29%.

Adjusted* profit before tax was £3.3 million (2014: £2.8 million). This was in line with expectations before recognising the additional £0.4 million share-based payment charge in the year, following the approval of the Company's new Long-Term Incentive Plan at the Annual General Meeting in June 2015.

Included in the Consolidated Statement of Comprehensive Income are non-cash items, including depreciation, amortisation and share-based payment costs of £2.8 million (2014: £2.5 million). After adjusting for these non-cash items, non-recurring acquisition and restructuring costs, net finance expense and taxation, adjusted* EBITDA increased by 13% to £5.8 million (2014: £5.1 million).

Financial position

At 31 December 2015 the Group had net assets of £31.8 million (2014: £25.4 million). Non-current assets increased by a net £7.5 million to £37.1 million (2014: £29.6 million). The movement included £6.9 million of goodwill and £1.4 million of intangible assets arising from the acquisitions, in addition to £1.7 million of capital expenditure offset by an aggregate £2.4 million of depreciation and amortisation.

At 31 December 2015 the Group had gross debt of £8.1 million (2014: £6.9 million), being the bank lending secured to part-fund the acquisitions in 2013 and 2015. The outstanding balance has been reduced during the year by scheduled repayments totalling £2.2 million. Net debt was £3.8 million (2014: £4.3 million).

Cash flows and liquidity

Cash generated from operations was £4.6 million (2014: £2.8 million) and net cash flow for the year was an inflow of £1.8 million (2014: outflow of £1.6 million).

The acquisition of Select, for initial net cash consideration of £6.3 million (comprising consideration of £8.0 million and cash acquired of £1.7 million), was part funded by a firm placing of new ordinary shares which raised £4.4 million in gross proceeds, in conjunction with additional bank lending of £3.5 million.

The Group invested £1.7 million (2014: £1.6 million) in capital expenditure including £1.2 million on new laboratory infrastructure and facilities, including the -70^{o}C walk-in chamber and £0.5 million on enhanced IT and laboratory information management platforms.

The financing cash outflow was £2.2 million on debt principal repayments in addition to £0.4 million of interest paid (2014: £0.4 million).

The Group's cash balance was £4.4 million as at 31 December 2015 (2014: £2.6 million).

People

Source BioScience's people are critical to its success. In addition to ensuring the highest quality laboratory facilities and technology platforms, the Board is also mindful to ensure that the Group recruits and retains the highest calibre individuals.

The Board will continue to invest to ensure that the Company has the best people in place, with a skilled and experienced senior management team, to support the planned growth and expansion of the business across all of its activities and its international markets.

Conclusion and outlook

The Group has robust strategies to generate attractive levels of business growth, as has been demonstrated consistently over recent years. The acquisitions made during the year have provided new commercial prospects, both from additional services and products and also from cross-selling opportunities. The investment made in upgrading laboratory facilities and manufacturing capability has delivered efficient and scalable infrastructure and serves to consolidate capability and broaden the service offering to leverage the full range of Laboratory Services and Products expertise across the target markets.

The Laboratory Services division has performed strongly during the year. There has been continued growth in DNA Sequencing, along with substantial organic expansion of the Analytical and Regulated Services business, especially stability storage. The enhanced portfolio of analytical chemistry and pharmaceutical testing that Select brings will accelerate the growth of this division.

Capacity and capability constraints faced by the Group's customers, including the NHS, represent an opportunity which can be met by the Group's ability to address both short and long term demand, with rapid turnaround times. Source BioScience is already a valued partner for outsourced diagnostics and the intention is to enhance this status with the continued introduction of new diagnostic services and the migration of testing expertise into other disease areas.

The Products division has received substantial resources and investment to improve manufacturing processes and build the foundations for international expansion of the Products business with key initiatives underway for Clinical Products and Controlled Environment. These have included the commissioning of the state of the art, high throughput serology manufacturing suite, including "Class A" GMP clean room capability, and the design and installation of the world's first -70^{o}C walk-in chamber at the Group's Rochdale facility.

The Board is confident that each of the factors outlined above will contribute to the continuing progress of the Group in 2016 and beyond, and highlight the ambition to become an established and successful international Laboratory Services and Products business.

Dr Nick Ash

Chief Executive Officer
22 March 2016

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	**Year ended 31 December 2015 £'000**	Year ended 31 December 2014 £'000
Revenue	2	**26,302**	25,175
Cost of sales		**(13,027)**	(12,931)
Gross profit		**13,275**	12,244
Selling and distribution expenses		**(2,323)**	(2,391)
Research and development		**(170)**	(158)
Administrative expenses:			
- normal		**(6,791)**	(6,365)
- share based payments		**(366)**	(90)
- amortisation of intangibles arising from acquisitions		**(636)**	(614)
- non-recurring and acquisition costs	4	**(644)**	(808)
Administrative expenses		**(8,437)**	(7,877)
Operating profit	2	**2,345**	1,818
Finance income		**2**	8
Finance costs		**(364)**	(411)
Profit on ordinary activities before tax		**1,983**	1,415
Taxation		**(514)**	(481)
Profit attributable to equity holders of the Company		**1,469**	934
Other comprehensive (expense)/income			
Items that are, or may subsequently be, recycled to profit or loss:			
- exchange differences on translation of foreign operations		**(22)**	38
Total comprehensive income attributable to equity holders of the Company		**1,447**	972
Earnings per share:			
Basic profit per ordinary share	5	**0.45p**	0.30p
Diluted profit per ordinary share	5	**0.44p**	0.29p

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2015

	Attributable to equity holders of the parent company						
Group	Share capital £'000	Share premium £'000	Merger and other reserves £'000	Special reserve £'000	Translation reserve £'000	Profit and loss reserve £'000	**Total equity £'000**
Balance at 1 January 2014	6,265	7,768	2,408	10,788	(2)	(2,825)	**24,402**
Currency translation adjustments	-	-	-	-	38	-	**38**
Profit for the year	-	-	-	-	-	934	**934**
Total comprehensive income for the year	-	-	-	-	38	934	**972**
Transactions with owners, recorded directly in equity							
Employee share option scheme:							
- value of services provided	-	-	-	-	-	90	**90**
- taxation in respect of share based payments	-	-	-	-	-	(37)	**(37)**
- proceeds from shares issued	6	16	-	-	-	-	**22**
Reclassification of special reserve	-	-	-	(10,788)	-	10,788	-
Balance at 31 December 2014	6,271	7,784	2,408	-	36	8,950	**25,449**
Balance at 1 January 2015	6,271	7,784	2,408	-	36	8,950	**25,449**
Currency translation adjustments	-	-	-	-	(22)	-	**(22)**
Profit for the year	-	-	-		-	1,469	**1,469**
Total comprehensive (expense)/income for the year	-	-	-	-	(22)	1,469	**1,447**
Transactions with owners, recorded directly in equity							
Employee share option scheme:							
- value of services provided	-	-	-	-	-	366	**366**
- taxation in respect of share based payments	-	-	-	-	-	136	**136**
- proceeds from shares issued	88	(75)	-	-	-	-	**13**
Proceeds from shares issued	627	3,766	-	-	-	-	**4,393**
Balance at 31 December 2015	6,986	11,475	2,408	-	14	10,921	**31,804**

Consolidated Statement of Financial Position

As at 31 December 2015

	As at 31 December 2015	As at 31 December 2014
	£'000	£'000
Non-current assets		
Goodwill	**22,864**	15,996
Other intangible assets	**2,979**	2,118
Financial assets	**-**	-
Property, plant and equipment	**10,622**	10,419
Investments in subsidiary undertakings	**-**	
Deferred tax	**625**	1,054
	37,090	29,587
Current assets		
Inventories	**1,369**	1,149
Trade and other receivables	**5,524**	4,829
Cash and cash equivalents	**4,427**	2,603
	11,320	8,581
Current liabilities		
Bank overdraft	**-**	-
Trade and other payables	**7,230**	5,281
Financial liabilities		
– borrowings	**2,075**	2,199
Deferred consideration	**103**	-
	9,408	7,480
Net current assets	**1,912**	1,101
Total assets less current liabilities	**39,002**	30,688
Non-current liabilities		
Deferred income	**538**	540
Financial liabilities		
– borrowings	**6,060**	4,679
– derivative financial instruments	**-**	20
Deferred consideration	**600**	
	7,198	5,239
Net assets	**31,804**	25,449
Equity		
Issued share capital	**6,986**	6,271
Share premium	**11,475**	7,784
Special reserve	**-**	-
Other reserves	**2,422**	2,444
Profit and loss reserve	**10,921**	8,950
Total equity	**31,804**	25,449

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Cash flows from operating activities		
Profit for the year	**1,469**	934
Adjustments for:		
Depreciation of property, plant and equipment	**1,498**	1,497
Amortisation of capitalised development costs	**270**	262
Amortisation of intangible assets arising on acquisitions	**636**	614
(Profit)/loss on sale of property, plant and equipment	**(2)**	52
Finance costs	**364**	411
Finance income	**(2)**	(8)
Taxation	**514**	481
Share based payments – value of employee service	**366**	90
Increase in inventories	**(214)**	(86)
Decrease/(increase) in trade and other receivables	**124**	(50)
(Decrease)/increase in trade and other payables	**(400)**	(1,375)
Cash generated from/(used in) operations	**4,623**	2,822
Interest paid	**(389)**	(352)
Tax paid	**(129)**	(103)
Net cash generated from/(used in) operating activities	**4,105**	2,367
Cash flows from investing activities		
Acquisition of subsidiaries	**(8,046)**	(200)
Cash acquired with subsidiaries	**1,745**	-
Purchases of property, plant and equipment	**(1,385)**	(1,331)
Proceeds from sale of property, plant and equipment	**5**	162
Proceeds from sale of investments	**-**	47
Capitalised development costs	**(308)**	(269)
Interest received	**2**	8
Net cash (used in)/generated from investing activities	**(7,987)**	(1,583)
Cash flows from financing activities		
Proceeds from issue of shares	**4,422**	6
Repayment of borrowings	**(2,120)**	(2,120)
Proceeds from borrowings	**3,500**	-
Finance lease principal repayments	**(118)**	(218)
Net cash generated from/(used in) financing activities	**5,684**	(2,332)
Net increase/(decrease) in cash and cash equivalents	**1,802**	(1,548)
Cash and cash equivalents at the beginning of the year	**2,603**	4,158
Exchange gains/(losses) on cash and cash equivalents	**22**	(7)
Cash and cash equivalents at the end of the year	**4,427**	2,603

Notes to the Consolidated Preliminary Financial Statements

For the year ended 31 December 2015

1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the EU ('Adopted IFRS') in accordance with EU law (IAS Regulation EC 1606/2002).

The financial information contained in this announcement of preliminary financial statements does not constitute the Company's statutory financial statements for the years ended 31 December 2015 or 2014. Neither the Directors of the Company, nor our auditor, have as yet approved the statutory financial statements for the financial year ended 31 December 2015. These financial statements are therefore unaudited. The financial information for 2014 is derived from the statutory financial statements for 2014 which have been delivered to the Registrar of Companies. The auditor has reported on the 2014 accounts and that report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor 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 statutory financial statements for 2015 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

No revisions to Adopted IFRS that became applicable in 2015 have a material impact on the Group's financial statements.

2. Operating segments

Information about reporting segments

For the purposes of management reporting to the chief operating decision maker, the commercial activities of the Group are organised into two segments:

- Laboratory Services
- Products

The reporting segments have been updated in the year to reflect the broadening of the revenue base of the Group and the enhancements to the portfolio of services and products over recent years. The enlarged portfolio has many applications across a number of industries including the healthcare, life science research and biopharma markets. The segmental information provided for the year ended 31 December 2015 reflects these two segments of Laboratory Services and Products.

Financial information for each operating division is also available in a disaggregated form in line with the identified cash generating units.

During the year there were immaterial sales between business segments (2014: immaterial) and where these do occur they are at arm's length pricing.

Unallocated costs represent corporate expenses and common operating costs. Segment assets include intangible assets including goodwill, plant and equipment, stocks and debtors. Unallocated assets include all freehold land and buildings, other receivables and prepayments and cash. Segment liabilities comprise operating liabilities and exclude borrowings. Unallocated liabilities comprise borrowings and trade and other payables. Segment capital expenditure comprises additions to property, plant and equipment and capitalised development costs.

2. Operating segments *(continued)*

Year ended 31 December 2015	Laboratory Services £'000	Products £'000	Unallocated £'000	**Group £'000**
Continuing operations				
Revenue	15,602	10,700	-	**26,302**
Segment result	5,502	2,652	(5,809)	**2,345**
Finance income	-	-	2	**2**
Finance costs	-	-	(364)	**(364)**
Profit/(loss) before tax	5,502	2,652	(6,171)	**1,983**
Taxation	-	-	(514)	**(514)**
Profit/(loss) for the year	5,502	2,652	(6,685)	**1,469**
Other segment items				
Capital expenditure (including assets arising on acquisitions)				
- property, plant and equipment	1,436	21	225	**1,682**
- development costs	183	184	-	**367**
- customer relationships	1,409	-	-	**1,409**
Depreciation	722	426	350	**1,498**
Amortisation of intangible assets arising on acquisitions	499	137	-	**636**
Amortisation of development costs	160	110	-	**270**
Other non-cash expenses				
- share option scheme	-	-	366	**366**

Year ended 31 December 2014	Laboratory Services £'000	Products £'000	Unallocated £'000	Group £'000
Continuing operations				
Revenue	13,300	11,875	-	25,175
Segment result	4,737	2,362	(5,281)	1,818
Finance income	-	-	8	8
Finance costs	-	-	(411)	(411)
Profit/(loss) before tax	4,737	2,362	(5,684)	1,415
Taxation	-	-	(481)	(481)
Profit/(loss) for the year	4,737	2,362	(6,165)	934
Other segment items				
Capital expenditure				
- property, plant and equipment	952	185	194	1,331
- development costs	142	127	-	269
Depreciation	734	448	315	1,497
Amortisation of intangible assets arising on acquisitions	351	263	-	614
Amortisation of development costs	138	124	-	262
Other non-cash expenses				
- share option scheme	-	-	90	90

3. Acquisitions of subsidiaries

(a) Select Pharma Laboratories Ltd ('Select')

On 17 August 2015 Source BioScience completed the acquisition of the entire ordinary share capital of Select for consideration of up to £7.3 million, excluding transaction costs of £0.4 million and any adjustment for working capital. The principal activities of Select are pharmaceutical testing, including physical and chemical testing, and microbiological analyses for applications in therapeutics and healthcare products.

The acquired business contributed revenue of £1.3 million and profit before tax of £0.2 million to the Group for the period from 17 August 2015 to 31 December 2015. The profit before tax is after charging £0.1 million of amortisation on the fair valuation of intangible assets acquired with the business.

If the acquisition had occurred on 1 January 2015, Group revenue would have been £3.6 million higher and the profit before tax would have increased by £0.4 million on a pro forma basis. These amounts have been calculated by adjusting the results of the subsidiary to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets required by IFRS had been applied from 1 January 2015.

(b) The Moffat Partnership Limited ('BritainsDNA')

On 10 December 2015 Source BioScience completed the acquisition of the entire ordinary share capital of BritainsDNA for total consideration of £0.1 million. The principal activity of BritainsDNA is the provision of DNA Ancestry testing.

The acquired business contributed negligible revenue and profit before tax to the Group for the period from 10 December 2015 to 31 December 2015. If the acquisition had occurred on 1 January 2015, Group revenue would have been £0.5 million higher and the profit before tax would have remained unchanged on a pro forma basis. These amounts have been calculated by adjusting the results of the subsidiary to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets required by IFRS had been applied from 1 January 2015.

4. Non-recurring costs

As highlighted in the Business Review, non-recurring items comprised £0.4 million of acquisition costs and £0.2 million of integration costs. The non-recurring items in 2014 comprised £0.7 million of integration costs and £0.1 million of restructuring costs attributable to the changes to the Board of Directors.

5. Earnings per share

Basic earnings per share are calculated by dividing the result for the year attributable to ordinary equity shareholders of the Company by the weighted average number of shares in issue during the year. Diluted earnings per share are calculated by dividing the result for the year attributable to ordinary equity shareholders by the weighted average number of ordinary shares in issue during the year adjusted for the effects of dilutive options.

The calculation of basic earnings per share for the year was based on the profit attributable to ordinary shareholders of £1,469,000 (2014: £934,000) and a weighted average of 326,788,526 ordinary shares (2014: 313,504,170 ordinary shares).

The calculation of diluted earnings per share for the year is based on the profit attributable to ordinary shareholders of £1,469,000 (2014: £934,000) and the weighted average number of ordinary shares adjusted for 10,256,494 dilutive options (2014: 6,196,084 dilutive options) totalling 337,045,020 (2014: 319,700,254).

IAS 33 Earnings per share requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share.

5. Earnings per share *(continued)*

The reconciliation of earnings and weighted average number of shares used in the calculations is set out below:

	2015			2014		
	Earnings £'000	**Weighted average number of shares 000's**	**Per share amount (pence)**	Earnings £'000	Weighted average number of shares 000's	Per share amount (pence)
Basic EPS						
Earnings attributable to ordinary shareholders	**1,469**	**326,789**	**0.45**	934	313,504	0.30
Diluted EPS						
Earnings attributable to ordinary shareholders	**1,469**	**337,045**	**0.44**	934	319,700	0.29
Adjusted* basic EPS						
Earnings attributable to ordinary shareholders	**2,749**	**326,789**	**0.84**	2,356	313,504	0.75
Adjusted* diluted EPS						
Earnings attributable to ordinary shareholders	**2,749**	**337,045**	**0.82**	2,356	319,700	0.74

*Adjusted results are stated after eliminating non-recurring acquisition and restructuring costs of £644,000 (2014: £808,000) and amortisation of intangibles arising from acquisitions of £636,000 (2014: £614,000). The adjusted results have been included to present a fair comparison of the progress in the underlying business.

Glossary

Antibodies	Proteins that are found in blood or other bodily fluids; they are naturally used by the immune system to identify and neutralise foreign objects, such as bacteria and viruses. Experimentally, antibodies can be labelled with a detectable 'tag' and then used as highly specific probes for identifying proteins of interest in tissues. A wide range of antibodies with a large variety of cellular targets is available to research scientists through distributors such as Source BioScience.
B-RAF	The B-RAF gene encodes a signalling protein. Mutations of the BRAF gene are quite common in melanoma and colorectal cancer. In colorectal cancer, such mutations make a tumour resistant to inhibitors of the EGFR signalling pathway.
Batch Release Testing	GMP conformance testing of each batch of a finished marketed product, against an approved specification.
Bioinformatics	The application of information technology, and computer science, to the field of molecular biology. Common activities in bioinformatics include mapping and analysing DNA and protein sequences, aligning different DNA sequences to compare them and handling and analysing huge data sets generated by the latest genomic technologies.
Biomarkers	Biomarkers often refer to substances found in blood, urine or tissue, changes in which may be used to indicate presence of disease or response to treatment. More generally the term biomarker refers to any molecule that can be used to monitor a particular cellular process and may be a protein, DNA or RNA molecule.
Bio-Repository	A biological materials repository that collects, processes, stores and distributes bio-specimens to support future scientific investigation.
Blood Bank	A cache or bank of blood components, gathered as a result of blood donation or collection, stored and preserved for later use.
Blood Group Serology Reagents	A group of reagents which are used to test for the presence or absence of certain proteins in the blood and determine the blood group.
Capillary Electrophoresis DNA Sequencing (also known as Sanger sequencing or conventional sequencing)	DNA sequences are determined using a chemical reaction that results in an array of products that terminate in a different fluorescent coloured dye, which vary in size by one nucleotide. The products are separated, like the rungs of a ladder, by passing them through a capillary with an electric current and determining the order in which they emerge. This method remains the best way of inexpensively analysing large numbers of small sets of samples (see also Next Generation DNA Sequencing below).
Care Quality Commission ('CQC')	As a provider of healthcare laboratory and pathology services to the NHS, which is a regulated activity under the Health and Social Care Act 2008, we are required to be registered with the CQC, a government body established to regulate and inspect health and social care services in England, and ensure organisations maintain good standards and follow appropriate procedures.
Chromo2™	Chromo2™ is the latest, state of the art gene chip used to test human DNA samples and map ancestry. The gene chip contains more than 15,000 Y chromosome markers, more than 3,000 mtDNA markers and over 250,000 autosomal markers, as well as 33 redhead variants in the MC1R gene.
Chromatography	A process in which a chemical mixture carried by a liquid (for example in high performance liquid chromatography / HPLC) or a gas is

	separated into components as a result of differential distribution of the solutes as they flow around or over a stationary liquid or solid phase.
Circulating Tumour Cells ('CTC')	The identification of small numbers of cancer cells circulating in the blood has been shown to be of potential prognostic significance in breast cancer, colorectal or prostate cancer, and useful for monitoring response to drug therapy.
Clinical Pathology Accreditation ('CPA')	CPA is the accreditation body for clinical pathology services in the UK. Accreditation involves audit of the ability of a laboratory to provide a service of high and consistent quality by declaring a defined standard of practice, which is performed by the CPA accreditation body. The CPA standard is being phased out and superseded by the international standard ISO 15189.
Clone	A section of DNA sequence, such as a gene, that is isolated from an organism and can be endlessly replicated by genetic engineering techniques.
Clone Libraries	A clone library is a collection of clones containing complementary DNA ('cDNA') (see below) and is often intended to represent the genes that are expressed within a given cell or tissue type at a given period.
Companion Diagnostic	A test based on a biomarker (which might be a protein, DNA or RNA molecule), the presence or absence of which is associated with the likely efficacy of a drug or other treatment. Companion diagnostics are useful in stratifying patients into groups which are known to respond in a particular way to a drug. A good example of such a test from the Source BioScience breast cancer portfolio is the HER2 test, which assesses levels of the HER2 protein, expression of which is correlated with response to Herceptin™.
Cryobank	A bank of cells or whole tissues which are stored at sub-zero temperatures to reduce the amount of chemical reactivity in order to preserve them. At Source BioScience the cryobank operates at minus 196^{o}C using liquid nitrogen storage facilities.
CYP2D6	Breast cancer patients with certain genetic variations in the CYP2D6 gene may be slow metabolisers of the drug tamoxifen to its active metabolite endoxifen. In this case changes to the treatment regime may be indicated because the efficacy of the drug is reduced.
Deoxyribo Nucleic Acid (DNA) and complementary DNA (cDNA)	DNA is a large, complex molecule which, by virtue of a unique sequence of building blocks, contains all the genetic information required to create a cell or organism. cDNA can be made from all the genes in a genome, from a single gene, or from part of a gene. cDNA is DNA that has been synthesised artificially using an RNA template (see below) from the gene(s) selected.
Dissolution Testing	A process routinely used to provide critical *in vitro* drug release information for both quality control purposes, for example to assess batch-to-batch consistency of tablets; and drug development for example to predict *in vivo* drug release profiles.
Duty of Care Review	An audit of a specific pathologist's practice. Pathology departments have a duty of care to patients whose treatment or clinical management may need to be changed in the light of revised opinions arising from a review of a pathologist's or team's work. Where good practice is suspected to have broken down it may be necessary to arrange a systematic review of cases to fulfil a department's duty of care to their patients. Source BioScience offers a full duty of care review service to pathology departments that need specialist second opinion in these circumstances.

EGFR Mutation Testing	Human EGFR is a cellular transmembrane receptor found on the surface of cells. Clinicians wishing to prescribe gefitinib (Iressa™) for lung cancer patients are required to confirm the presence of a number of mutations found in the tyrosine kinase domain on the EGFR gene.
US Food and Drug Administration 'FDA')	The FDA is an agency of the US Department of Health and Human Services and is responsible for protecting the public health by assuring the safety, efficacy and security of human and veterinary drugs, biological products, medical devices, cosmetics and items that emit radiation.
Fluorescence *in situ* Hybridisation ('FISH')	*In situ* hybridisation ('ISH') is a powerful technique, not unlike immunohistochemistry (below), for visualising the presence of specific sequences of DNA or RNA in cells. The technique uses short synthetic sequences of DNA or RNA which will bind, or hybridise, to the tissue with high specificity for the DNA or RNA of interest within the issue. Fluorescent 'tags' are attached to these synthetic sequences, allowing them to be visualised with a special microscope, even when present at very low levels.
FocalPoint™	An automated imaging system for screening SurePath™ liquid based cytology slides. Using complex algorithms it interprets the images of each slide using the same morphologic features used during screening with the human eye. It can archive up to 25% of cases as requiring "no further review" ('NFR') which then do not need to be manually primary screened.
Genetic Ancestry or Genealogy	The use of genetic analysis to help determine the journey of our ancient ancestors from their origins to the current day. Source BioScience uses the Chromo2™ gene chip (above) for such analysis.
GenomeCUBE®	Source BioScience's proprietary database, search engine and e-commerce tool for Life Science products. GenomeCUBE® contains over 20 million clones and over 100,000 antibodies all of which contain downloadable annotation. GenomeCUBE® is available in foreign language and foreign currency versions.
Genomics	The study of an organism's genome, where the genome of an organism is its whole hereditary information and is encoded in the DNA (see above) and RNA (see below). This includes both the genes and the non-coding sequences of the DNA.
Genomic Products and Reagents	In this instance, DNA or RNA extracted and purified from a range of species and provided in a variety of forms for research purposes.
Genotyping and Sequencing	DNA sequencing is the process of precisely determining the order of the building blocks, or nucleotides, of an organism's DNA. The method can be used to determine short sequences of DNA or, in larger experiments, to sequence the entire genome of an organism. Genotyping, in turn, is the process whereby DNA is characterised and then compared to reference data or, if large numbers of samples are genotyped, the data can be examined for patterns which might lead to discoveries of the fundamental causes of inherited diseases. Genotyping is commonly performed by PCR (below) or DNA sequencing.
Good Clinical Practice ('GCP')	GCP is an international ethical and scientific quality standard for designing, conducting, recording and reporting clinical trials that involve the participation of human subjects. Compliance with this standard provides public assurance that the rights, safety and well-being of trial subjects are protected, consistent with principles that have their origin in the Declaration of Helsinki. Compliance with the principles of GCP is assured via monitoring by the MHRA.

Good Laboratory Practice ('GLP')	GLP is a set of principles that provides a framework within which laboratory studies are planned, performed, monitored, recorded, reported and archived. These studies are undertaken to generate data by which the hazards and risks to users can be assessed for pharmaceuticals (only preclinical studies). GLP helps assure regulatory authorities that data submitted is a true reflection of the results obtained during the study and can therefore be relied upon when making risk/safety assessments. Compliance with the principles of GLP is assured via monitoring by the MHRA.
Good Manufacturing Practice ('GMP')	GMP is that part of Quality Management which ensures that products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the Marketing Authorisation, Clinical Trial Authorisation or product specification. GMP ensures that medicinal products do not place patients at risk due to inadequate safety, quality or efficacy. Compliance with the principles of GMP is assured via monitoring by the MHRA.
Haplogroup	A haplogroup is a group of related ancestral lineages which share a common acestor. Haplogroups are defined by SNP markers.
Human Epidermal Growth Factor Receptor 2 (HER2)	HER2 is a protein the over-expression of which within a breast or gastric/gastro-oesophageal tumour sample may indicate a patient is suitable for treatment with Herceptin™. A test for such over-expression is carried out on all new breast cancer patients or patients with advanced stomach cancer.
Human Papilloma Virus ('HPV')	HPV is a family of viruses that commonly infect human tissues. Several members of this family in particular genotype 16 & 18 are sexually transmitted and persistent infection with these subtypes plays a key role in the development of cervical intraepithelial neoplasia (CIN) and invasive cancer of the cervix. HPV infection is also associated with other cancers, including those of the head and neck.
Histopathology	The study of changes in tissues and cells as a consequence of some disease or toxic processes.
Human Tissue Authority ('HTA')	The HTA licenses organisations that store and use human tissue for purposes such as research, patient treatment, post-mortem examination, teaching and public exhibitions. The HTA also inspect organisations to check that they maintain good standards and follow appropriate procedures against the legislation of the Human Tissue Act 2004.
ICH Tripartite Guidelines	Guidelines created by the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use ('ICH') to promote good clinical practice.
Immunohistochemistry ('IHC')	IHC is a technique for visualising proteins and other molecules in thin sections of tissue. This technique uses antibodies raised in other species against the protein of interest as a tool, and exploits their exquisite sensitivity and specificity for binding to that protein.
ISO9001	ISO9001 is a universal quality management system which Source BioScience holds across all aspects of its business.
Just Between Us™	Just Between US™ is Source BioScience's online sexually transmitted infection ('STI') testing service. In addition to testing services, JBU provides an online prescription service and works in partnership with The Terrence Higgins Trust to provide further help and support to those who test positive for HIV, syphilis, hepatitis B and hepatitis C.
K-RAS	K-RAS is a gene that produces an important cell signalling protein

	responsible for cell growth. The presence of a mutated form of the K-RAS gene in colorectal cancer may indicate that a patient is unsuitable for new anti-EGFR drugs such as Erbitux™ and Vectibix™.
Liquid Based Cytology ('LBC')	LBC is a process for collecting and processing cytology samples from the cervical epithelial. The method produces a cleaner preparation of cells, without the other materials which frequently contaminate the sample such as blood or mucus.
mtDNA	Mitochondrial DNA is discrete, cellular and non-chromosomal DNA that is passed from only a mother to her children (of either sex). mtDNA is therefore a useful tool for males and females to track their ancestry through their maternal line.
Medicines and Healthcare products Regulatory Agency ('MHRA')	The MHRA is an executive agency of the UK government, sponsored by the Department of Health, which regulates medicines and medical devices in the UK, playing a leading role in protecting and improving public health and supporting innovation through scientific research and development.
Microarray	Microarrays are a microscopic series of nucleic acid spots of known sequence which are deposited in a regular array typically onto a glass slide. A DNA or RNA probe can then be hybridised to the slide which results in a DNA or RNA fingerprint of the sample in the probe enabling scientists to determine genotypes or gene expressions levels.
Next Generation DNA Sequencing ('NGS')	NGS refers generically to a set of recent technologies, in our case Illumina HiSeq™, Illumina MiSeq™ and Illumina NextSeq™ in which extremely large numbers of short sequences can be determined in a single experiment; for example the Illumina HiSeq™ selected by Source BioScience can sequence two human genomes in ten days.
No Further Review ('NFR')	A unique feature of the FocalPoint™ automated cytology imaging platform that can identify up to 25% of cytology slides that are considered to be negative. These slides do not require further primary manual review, thereby improving the turnaround time and efficiency in the laboratory operations, saving time and cost for the NHS.
Non-Invasive Prenatal Testing ('NIPT')	A procedure which can identify fragments of foetal DNA in maternal blood. NIPT reduces the need for invasive procedures, such as amniocentesis, which are currently used to screen for genetic abnormalities and which present a potential risk of miscarriage.
Phosphate Buffered Serology Saline ('PBSS')	A standardised solution used as a wash solution for human red blood cells prior to blood grouping and serological antibody investigation.
Physical Testing	A qualitative or quantitative procedure that consists of determination of one or more characteristics of a given product to a specified procedure. Examples include: hardness testing, friability and particle counting.
Polar50™ and Polar100™	The polar range of bio-storage walk-in chamber are the world's first minus 70 degree chambers. They are designed, built and sold only by Source BioScience. The Polar50™ is $50m^3$ of internal space and the Polar100™ is $100m^3$.
Polymerase Chain Reaction ('PCR')	PCR is a laboratory technique which specifically and exponentially amplifies a single or a few copies of a segment of DNA. The resulting product is an indicator of the presence of the original segment of DNA or the product can be used as the material for further experiments, for example genotyping or DNA sequencing.

Proteomics	The study of specific amino acids, proteins or the entire proteome (a complete translated genome, see above) of an organism. Proteomic techniques include, for example, surveying complex biological samples for protein content, or determining the level of specific proteins in tissues using techniques like immunohistochemistry (IHC, see above).
Qualified Person ('QP')	A person under EU pharmaceutical regulation deemed to be suitably qualified (e.g. a licensed pharmacist, biologist or chemist) and having several years' experience working in pharmaceutical manufacture, who is required to give oversight to the quality of production of a pharmaceutical compound within specified criteria for its use, prior to its release for sale or use in a clinical trial.
Raw Material Testing	A test to ensure the quality and purity of raw materials used in manufacturing for the pharmaceutical, biotech and other industries.
reSource™	Brand name carried by the Source BioScience product portfolio.
Ribo Nucleic Acid ('RNA')	RNA is a molecule similar to DNA, that is mostly an intermediate product between the DNA of the gene, and the ultimate protein product of that gene. The level of expression of a gene can be gauged by the amount of RNA synthesised from that gene, a process usually measured by quantitative real-time polymerase chain reaction ('Q-PCR').
RNA Expression Analysis	A process to measure the activity of a number of genes simultaneously, generating a global picture of cellular function. The expression analyses, or profiles, can distinguish between cells that are actively dividing, for example, or show how the cells react to a particular treatment. Testing of genome-wide RNA expression levels has historically been performed by microarray analysis but the experiments are now as likely to be performed by NGS.
ST^{10}	Part of the JBU home-sampling range, the new ST^{10} kit provides access to testing for the following ten STIs: Chlamydia; Gonorrhoea; Syphilis; *Herpes simplex 1* (HSV-1); *Herpes simplex 2* (HSV-2); Trichomoniasis ('Trich'); *Mycoplasma hominis*; *Mycoplasma genitalium* ('MG'); *Ureaplasm urealyticum* and Chancroid
Serology	The study of general antigen-antibody reactions in a laboratory setting and the specific blood test conducted to test for the presence of antibodies. For example serology tests are performed to determine a patient's ABO blood type.
Sexually Transmitted Infection ('STI')	An infection that can be transferred from one person to another through sexual contact. Source BioScience offers Chlamydia screening services to various commissioning bodies as part of the National Chlamydia Screening Programme.
Spectrometry and Spectroscopy	A technique or equipment that helps identify the amount and type of matter, in our case chemicals, present in a sample by detecting certain absorbed, scattered or emitted wavelengths of light. Examples include: atomic absorption spectroscopy (AAS) and Fourier transform infrared spectroscopy (FTIR).
SpeedREAD™	The Source BioScience brand used to identify our fast overnight capillary sequencing services with less than 10 hour turnaround and pre 9am delivery of results.
Stability Storage services	The provision of validated ICH standard environmental facilities which vary in environmental factors, such as temperature, humidity and light. The purpose of stability testing is to provide evidence on how the quality of a substance or product varies with time in different environments and to establish a shelf life for the substance or product

	and recommend appropriate storage conditions.
Stability Storage and Controlled Environment Chambers	A range of modular walk-in and reach-in rooms and cabinets sold, serviced and validated by Source BioScience which are used by customers to achieve ICH standard environments in their own facilities for their own internal stability storage projects.
Sterility Testing	A test that critically assesses whether a sterilised component or product is free from viable contaminating micro-organisms.
Validation	Installation Qualification (IQ), Calibration Qualification (CQ), Operational Qualification (OQ) and Performance Qualification (PQ) and all elements of equipment validation used in laboratory processes. Validation of equipment and environments, and the subsequent documentation, is an essential element of Stability Storage projects.
YDNA	The Y chromosome is a piece of DNA inherited by sons only from fathers through the generations. The characterisation of YDNA is therefore a useful tool for males to track ancestry through the paternal line.