

PERSONAL SCREENING PLC
chairman's statement

For the six month period to 30 June 2006

The interim accounts show the decline in turnover which we had anticipated and which was signalled at the time of our flotation on AIM earlier this year. The principal causes of these lower sales were the temporary diversion of the Company's management from marketing to flotation related activities, delays in reaching new distribution arrangements and, most importantly, stock and delivery problems caused by our lack of working capital, which was only alleviated by the successful raising of new funds on AIM during April 2006. As you will see from the balance sheet we now have an extremely healthy net cash position to support our future growth.

We are continuing to develop the business in a number of directions. We have completed the acquisition and incorporation of Mermaid Diagnostics Limited into the group. Mermaid's patented "Safetube" technology, in its first commercial manifestation called "SmokeScreen" is currently undergoing trials with South and Mid. Bucks Primary Care Trust to assess its effectiveness in measuring nicotine levels in women during early stage pregnancy. We are expecting the results within the next four weeks. If these confirm current positive feedback we plan to launch "SmokeScreen" more widely in the first quarter of next year.

We have also signed what we believe will be a significant agreement with Biostat Diagnostic Systems for the supply of their Reflotron blood analysis machine which is designed to test for myocardial infarction risk. We will use the Reflotron machine to provide, direct to the public under the brand name "Personal Screening Direct", a test to determine cardiac risk. To this end we are in discussion with pharmacies with consulting areas from which our staff can perform the test assessments with the pharmacy being remunerated by a share of the fee for each test. We plan to launch this new programme at the Pharmacy Show at the NEC in October 2006. We have appointed a new sales manager, Paul Yeubrey, who joined us on 18 September 2006.

I am pleased to report that Paul has already arranged the first venues for Personal Screening Direct with a number of pharmacies and a health centre.

As well as supplying the pharmacy sector we are also seeking to sell to the natural health store and alternative practitioner markets. In August 2006 we signed an agreement with Cedar, who distribute to these outlets, and we are starting to see the initial sales.

We have been approached and are in discussions to set up Personal Screening operations in Eire, where we believe there are major opportunities not only for our existing product lines but also for Reflotron cardiac tests. This proposed development is particularly satisfying as it clearly demonstrates the value of our European-wide "CE" mark approvals.

You may also like to know that our new website is now on line at: www.personalscreening.com Though development of Personal Screening's activities has sometimes been slower than we would have wished, I remain confident that our business is moving in the right direction and that there are many exciting opportunities ahead. I look forward to giving you further details of these in the months ahead. In the meantime I should like to thank you for your continued support.

Michael Scorey
Chairman

22 September 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the six month period to 30 June 2006

	Note	6 months ended 30 June 2006 Unaudited £	6 months ended 30 June 2005 Unaudited £	12 months ended 31 December 2005 Audited £
Turnover		16,503	58,692	83,878
Cost of sales		(12,893)	(35,474)	(54,905)
Gross profit		3,610	23,218	28,973
Amortisation of goodwill		(24,567)	(48,976)	(48,976)
Other administrative expenses		(124,136)	(40,987)	(162,616)
		(148,703)	(89,963)	(211,592)
Operating loss				
Continuing operations		(145,093)	(66,745)	(148,518)
Discontinued operations		-	-	(34,101)
		(145,093)	(66,745)	(182,619)
Interest payable and similar charges		(8,023)	(9,473)	(20,198)
Loss on ordinary activities before taxation		(153,116)	(76,218)	(202,817)
Taxation on loss on ordinary activities	2	-	-	-
Loss for the financial period		(153,116)	(76,218)	(202,817)
Loss per ordinary share	4	(0.12)p	(0.1)p	(0.35)p

There were no recognised gains or losses other than the loss for the financial period.

CONSOLIDATED BALANCE SHEET
As at 30 June 2006

	At 30 June 2006 Unaudited £	At 30 June 2005 Unaudited £	At 31 December 2005 Audited £
Fixed assets			
Intangible assets	924,324	873,890	873,890
Tangible assets	1,617	3,535	562
	925,941	877,425	874,452
Current assets			
Stocks	22,770	22,953	18,013
Debtors	58,943	83,192	24,660
Cash at bank	588,183	24,041	-
	669,896	130,186	42,673
Creditors: amounts falling due within one year	(509,402)	(562,144)	(601,031)
Net current assets/(liabilities)	160,494	(431,958)	(558,358)
Net assets	1,086,435	445,467	316,094
Capital and reserves			
Called up share capital	178,933	2,721,610	64,433
Share premium account	1,421,044	624,863	612,087
Capital Redemption Reserve account	2,667,179	-	2,667,179
Profit and loss account	(3,180,721)	(2,901,006)	(3,027,605)
Shareholders' funds	1,086,435	445,467	316,094

CASH FLOW STATEMENT

For the six month period to 30 June 2006

	Note	6 months ended 30 June 2006 £	6 months ended 30 June 2005 £	12 months ended 31 December 2005 £
Net cash (outflow)/inflow from operating activities	5	(286,002)	19,328	(24,224)
Returns on investments and servicing of finance				
Interest received		-	-	266
Interest paid		(8,023)	(9,473)	(20,464)
Net cash outflow from returns on investments and servicing of finance		(8,023)	(9,473)	(20,198)
Capital expenditure				
Payments to acquire tangible fixed assets		(1,249)	(2,430)	-
Net cash outflow from capital expenditure		(1,249)	(2,430)	-
Net cash (outflow)/inflow before financing		(295,274)	7,425	(44,422)
Financing				
Issue of ordinary share capital		1,125,000	-	25,001
Costs of share issue		(241,543)	-	-
Net cash inflow from financing		883,457	-	25,001
Increase/(decrease) in cash	6	588,183	7,425	(19,421)

NOTES TO THE INTERIM ANNOUNCEMENT

1 RESULTS

The results for the six month period to 30 June 2006 are neither audited nor reviewed and do not constitute statutory accounts within the meaning of the Companies Act 1985. They have been prepared on the basis of accounting policies consistent with those used in the financial statements for the period ended 31 December 2005. The statutory accounts for the period ended 31 December 2005 have been given an unqualified audit report and have been filed with the Registrar of Companies. The interim accounts for the six month period to 30 June 2005 were also unaudited.

2 Taxation

In view of the Group's tax losses carried forward, there is no tax charge included in the six months under review.

3 Dividends

The Company will not be declaring an interim dividend.

4 loss per share

The calculation is based on the loss attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period as follows:

	6 months ended 30 June 2006 £	6 months ended 30 June 2005 £	12 months ended 31 December 2005 £
Loss for the period	153,116	76,218	202,817
Weighted average number of shares	132,533,198	54,432,198	58,598,948

5 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	6 months ended 30 June 2006 £	6 months ended 30 June 2005 £	12 months ended 31 December 2005 £
Operating loss	(145,093)	(66,745)	(182,619)
Depreciation of tangible fixed assets	194	674	1,217
Amortisation of goodwill	24,567	48,976	48,976
(Increase) in stocks	(4,757)	(5,621)	(681)
(Increase)/Decrease in debtors	(34,283)	(17,603)	40,929
(Decrease)/Increase in creditors	(126,630)	59,647	67,954
Net cash (outflow)/inflow from operating activities	(286,002)	19,328	(24,224)

6 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	6 months ended 30 June 2006 £	6 months ended 30 June 2005 £	12 months ended 31 December 2005 £
Increase/(decrease) in cash in the period and movement in net debt	588,183	7,425	(19,421)
Opening net debt	(179,357)	(159,936)	(159,936)
Closing net debt	408,826	(152,511)	(179,357)

7 ACQUISITION

On 31 May 2006, the Company acquired the entire share capital of Mermaid Diagnostics Limited in exchange for 2,000,000 ordinary shares of 0.1p each at an agreed price of 2p each. At the date of acquisition Mermaid Diagnostics Limited's un-audited accounts disclosed net assets of £ 21,135 with an annual turnover of £1,600 resulting in a net loss of £6,807

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