REGISTERED NUMBER: 08696340 (England and Wales)

BIOTECNOL LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Miller & Co
Chartered Accountants
2 Victoria Road
Harpenden
Hertfordshire
AL5 4EA

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for the Year Ended 31 December 2017

BIOTECNOL LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2017

DIRECTORS:	Dr P M D C De Noronha Pissarra Dr N M Mackenzie Dr C J Lucas
REGISTERED OFFICE:	6th Floor 1 London Wall London EC2Y 5EB
REGISTERED NUMBER:	08696340 (England and Wales)
ACCOUNTANTS:	Miller & Co Chartered Accountants 2 Victoria Road Harpenden Hertfordshire AL5 4EA

BIOTECNOL LIMITED (REGISTERED NUMBER: 08696340)

BALANCE SHEET
31 December
2017

		2017		2016	
	Notes	**£**	**£**	£	£
FIXED ASSETS					
Intangible assets	4		**687,853**		976,729
Investments	5		**-**		853,081
			687,853		1,829,810
CURRENT ASSETS					
Debtors	6	**13,778**		231,683	
Cash at bank		**56,130**		7,239	
		69,908		238,922	
CREDITORS					
Amounts falling due within one year	7	**1,984,329**		2,511,422	
NET CURRENT LIABILITIES			**(1,914,421)**		(2,272,500)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(1,226,568)**		(442,690)
CAPITAL AND RESERVES					
Called up share capital	8		**6,437**		6,369
Share premium			**2,190,384**		2,082,453
Other reserves			**214,756**		97,465
Retained earnings			**(3,638,145)**		(2,628,977)
SHAREHOLDERS' FUNDS			**(1,226,568)**		(442,690)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**BALANCE SHEET - continued
31 December
2017**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 27 September 2018 and were signed on its behalf
by:

Dr P M D C De Noronha Pissarra - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Biotecnol Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other then where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these statement are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Transitional relief
On transition to FRS102 from previous UK GAAP last year, the company took advantage of transitional relief as follows:

Share based payment transactions
The company has elected not to apply section 26 share based payment to equity Instruments granted before the start of the first reporting period that complies with this accounting standard. Financial Reporting Standard for Smaller Entities (effective January 2015) has been applied to instruments granted in the prior period.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern
The financial statements have been prepared on the going concern basis. The directors have reviewed cash flow forecasts of the company which show it to be reliant on further shareholder support and/or receipts of income from the exploitation of intellectual property. Whilst there can be no certainty over the timing of such receipts, the directors are confident that sufficient amounts will be received to enable the company to continue to meet its liabilities as they fall due for the foreseeable future and thus continue to adopt the going concern basis.

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. the fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Other intangible assets consist of granted patents, and transferred knowledge used to generate intellectual property.

Granted patents are amortised on a straight line basis according to their expected useful life, that being the length of the period applicable to that patent. Based on granted patents in existence during the current and prior period, amortisation charged in the profit and loss account equated to 25% of the original cost of the patents.

Transferred Knowledge is amortised on a straight line basis according to its expect useful life. The amortisation charged in the profit and loss accounts in respect of Transferred Knowledge equates to 10% of the original cost of the Knowledge.

Investments in subsidiaries
Interest in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operation policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basics financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Compound instruments
The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is

determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2. **ACCOUNTING POLICIES - continued**

Taxation

The expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in sue, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. ACCOUNTING POLICIES - continued

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Share-based payments
Equity-settled share-based payments granted after 1 January 2016 are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

For equity instruments granted before the start of the first reporting period to comply with the new accounting standards (1 January 2016), the transitional relief available under FRS 102 to not apply Section 26 Share Based Payments to such instruments has been applied. As such these share based payments are not recognised in the financial statements and are disclosed in note 10.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2016 - 3) .

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 January 2017 and 31 December 2017	**1,519,453**
AMORTISATION	
At 1 January 2017	**542,724**
Charge for year	**288,876**
At 31 December 2017	**831,600**
NET BOOK VALUE	
At 31 December 2017	**687,853**
At 31 December 2016	976,729

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017	**853,081**
Disposals	**(853,081)**
At 31 December 2017	**-**
NET BOOK VALUE	
At 31 December 2017	**-**
At 31 December 2016	853,081

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts owed by group undertakings	**110**	110
Other debtors	**13,668**	231,573
	13,778	231,683

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Convertible loans	**1,540,992**	1,384,818
Trade creditors	**286,951**	127,264
Amounts owed to group undertakings	**-**	121,457
Amounts due to connected company	**42,747**	840,717
Accrued expenses	**113,639**	37,166
	1,984,329	2,511,422

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2017** £	2016 £
6,437,354	Ordinary	0.001	**6,437**	6,369

68,354 Ordinary shares of 0.001 each were allotted as fully paid at a premium of 1.57 per share during the year.

9. RELATED PARTY DISCLOSURES

During the year the company entered into the following transactions with related parties:

The company received services totalling £51,581 (2016 £39,783) from Biotecnol SA, a major shareholder with
significant influence over the company, as part of its normal trade.

The company also disposed of a subsidiary to Biotecnol SA for the sale consideration of £853,081.

10. EVENTS AFTER THE REPORTING DATE

The company is currently in preliminary negotiations with a potential buyer who is looking to acquire the company's Intellectual Property.

11. PARENT COMPANY

There is no ultimate controlling party.

12. SHARE-BASED PAYMENT TRANSACTIONS

The company operates share option plans under which 1,000,000 options have been granted to two directors at an exercise price of £0.01. The options can be exercised at any time in the 10 years commencing from the grant date, that being 16th April 2015.

No options were granted, lapsed or exercised in the current period.

As share option plans currently in place were granted before the current period, the directors have used the transitional relief available under FRS102 to not apply Section 26 Share Based Payments to equity instruments granted before the start of the first reporting period that complies with the new accounting standard.

The number of granted share options outstanding at the year end were 1,000,000 (2016: 1.000.000) at a weighted average exercise price of £0.01 (2016: £0.01)

The exercisable share options at the year end were 1,000,000 (2016: 1.000.000) at a weighted average exercise price of £0.01 (2016: £0.01).