Tekcapital PLC

Report and financial statements 2015

Contents

Tekcapital PLC

Report and financial statements 2015

Officers and professional advisers

Officers and professional advisers

Clifford M Gross	- Chairman and CEO
M J Malcolm Groat	- Finance Director
R W "Bill" Payne	- Non Executive Director
Jeffrey Lewis (resigned 29/05/2015)	- Non Executive Director
Carl Nisser (resigned 11/02/2016)	- Non Executive Director
Baroness Susan Greenfield	- Non Executive Director
Robert Miller (appointed 10/11/2015)	- Non Executive Director

Registered Office

5 Fleet Place
London
EC4M 7RD

Auditor

H W Fisher & Company
11 – 15 William Road
London NW1 3ER

Bank

HSBC plc
Canada Place
Canary Wharf
London
E14 5AH

The Toronto-Dominion Bank
12620 Biscayne Blvd
North Miami
FL 33181
USA

Solicitors

Charles Russell Speechlys
5 Fleet Place
London
EC4M 7RD

Nominated Advisors and Broker

Allenby Capital Limited
3 St Helens Place
London EC3A 6AB

Co-Broker

Optiva Securities Limited
2 Mill Street
London W1S 2AT

Tekcapital PLC

Chairman’s statement

Review of the Business

The Tekcapital group is engaged in helping its clients to profit from university intellectual property (IP). Since last year we have made considerable progress.

We continue to provide technology sourcing services for our corporate clients but also provide three important additional services:

- Acquiring the exclusive license to potentially disruptive technologies for our own portfolio for subsequent development and commercialisation. Since we began this service in January 2015, to-date we have acquired the exclusive rights to 50 patents.

- In 2014 we announced the acquisition of InventionEvaluator, the turn-key service that assesses the commercial potential of new technologies. We continue to expand the client base for the service and have added a direct sales team in our US office. Additionally, we have recently up-graded the format of the reports to enhance both their information content and marketability.

- Post end of period we were very pleased to have announced the acquisition of the business and certain assets of the Vortechs Group, a leading technology transfer placement firm in North America. For operating the Vortechs Group’s business on behalf of Tekcapital and for covering all related business expenditures going forward, Tekcapital will pay Vortechs Group a management and service fee, based on revenue achieved, for a minimum period of five years. This expands our business offerings and enables us to provide technology transfer professionals as well as new technologies to both our clients and university suppliers.

Additionally, post end of period we are pleased to have also announced the acquisition of the exclusive licences to manufacture and sell three proprietary medical devices from Stryker Corporation into Belluscura Ltd, a newly formed company set up by Tekcapital to commercialise these products. Belluscura Ltd’s mission is to address the marketplace need for premium medical devices at affordable prices. The devices have been developed by and exclusively licensed from Stryker Corporation, a leading medical technology company. The devices have achieved regulatory clearances where necessary and have already achieved commercial sales.

The medical devices are:

- “SlydeTM”, a non-ambulatory patient evacuation sled;
- “Passport®”, a trocar for use with the Da Vinci® Surgical System (keyhole surgery); and
- “SNAP II”, a level of consciousness monitor for use during surgical procedures requiring general anaesthesia.

The products are protected by a portfolio of 19 issued and pending patents and industrial designs. Belluscura has been established in order to commercialise these products, for which a new management team is being put in place. It is intended that Belluscura will market and expand the sales of the devices, initially in the US and Western Europe, using third party manufacturing and will look to acquire additional medical devices to sell in the future. Tekcapital expects Belluscura to raise funds via an IPO on AIM to accelerate its growth strategy. Tekcapital owns 95% of the share capital of Belluscura and Stryker Corporation owns the remaining 5%.

Divisional Review

Demand for the Group’s Invention Evaluator service remains strong with customers consisting of universities, research centres and corporations world-wide. The service has been successfully integrated with our existing offering and has attracted significant interest.

The Group’s technology out-licensing service leverages its competencies to identify and acquire particularly promising new IP which management believes can be readily out-licensed to corporations. This service extends the Group’s impact by directly commercialising innovative university and corporate developed technologies and also has the potential to capture for the Group’s own benefit more of the value realised when innovative ideas are successfully commercialised. Since inception a year ago, this new effort has grown rapidly. As of the date of this report we have secured exclusive licenses to 50 patents, applications and industrial designs. We have a number of on-going commercialisation opportunities that we hope to progress in the near future. We are making solid progress on our commercialisation programs for a number of our licensed properties and believe that we will be in a position to update the market in due course.

Tekcapital PLC

Chairman's statement (continued)

The Directors believe that the post period announcement of the acquisition of the Vortechs Group business and the establishment of Belluscura Ltd should make a significant contribution to our Group's financial performance in future reporting periods.

Current Trading and Outlook

Having continued to develop its existing business, the Board is confident that continued investment in growth is the right policy. We believe this strategy is likely to lead to increased revenue in 2016 as we continue to seize additional opportunities with the potential for adding considerable shareholder value.

The Directors remain confident that meaningful revenues will arise from our service offerings combined with the near-term sub-licensing or external funding of licenses held in its IP portfolio. With an increasing number of companies making ever faster and more disruptive use of innovative ideas sourced exogenously, and with patented university and corporate technologies an increasingly valued currency, the market opportunity for the Group is both very large and continuing to grow.

Financial review

The Group is still in its early stages of development. Funds raised from investors are being applied, along with revenues generated, to pursuing our strategic objectives. These are principally to grow the customer base for our technology transfer services and to acquire and sell on licences for certain university and corporate intellectual properties.

Group sales for the period to 30 November 2015 were US $407,420 (as compared with sales of US $210,337 in 2014) with losses of US $1,460,815 as compared with losses of US $994,869 in 2014.

The Group's assets grew from US $1,818,352 to US $3,961,698 during the period mainly thanks to shareholder investment during the year, augmented by technology acquisitions. The Group's liabilities are very low at the end of the period because its costs have been settled without delay, using funds from the cash reserves invested since our IPO and subsequent capital raise in May of 2015.

Clifford M Gross

Chairman and CEO

29 April 2016

Tekcapital PLC

Strategic report for the year ended 30 November 2015

The Directors present their strategic report on the Group for the year ended 30 November 2015.

The principal activity of the parent company is that of a holding management company and that of the Group is to provide retained clients with customised reports reviewing patented innovative technologies available from universities and research centres around the world and to assist in negotiating the acquisition of those technologies. The Group also acquires exclusive licenses for disruptive technologies with a view to commercialising them.

Principal Risks and Uncertainties

The Group actively considers and manages its risks. The Directors consider the following areas of business and operational risk and details how this risk is managed or mitigated:

- Generating revenue. To maintain and expand the Group's client base and geographical coverage, management perform regular reviews to monitor performance against expectations. These reviews include monitoring the diversity of the client base to avoid over-reliance on any one customer.
- Credit risk. The Group's principal financial assets are cash, and trade and other receivables. The Group monitors receivables and should any be the subject of an identified loss event, allowance is made for impairment if required. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Further, apart from intercompany consolidated transactions the Group has no current debt outstanding.
- Liquidity risk. To support expansion plans for future development, the Group regularly reviews its financing arrangements and cash flows to ensure there is sufficient funding in place.
- Foreign exchange risk. As the Group holds Sterling cash deposits and reports its financial performance in US Dollars, this exposes the Group to a potential unrealised currency risk on its Sterling bank balances. This relates to the raising of capital in the United Kingdom and the Directors review this exposure on a regular basis.

Analysis of Financial and non-Financial Key Performance Indicators

The Board continued to monitor performance regularly throughout the year by reviewing a range of key performance indicators. These include revenue growth, progress towards operational break even, and expenditure control against budget. During the current year revenue grew by 93.7% or $197,083. This is a result of a full year's operation of the InventionEvaluator service.

The Directors expect further improvement in performance in future as it achieves success in the Group's strategy to diversify and grow through continual investment, both organically and by acquisition.

By Order of the Board

Alexander Inglis

A M H Inglis

Company Secretary

29 April 2016

Tekcapital PLC

Directors’ report for the year ended 30 November 2015

The Directors present their annual report and the audited financial statements for the year ended 30 November 2015.

Directors

The following Directors held office during the period, and to the date of this report.

Clifford M Gross	
M J Malcolm Groat	
Baroness Susan Greenfield	
R W “Bill” Payne	
Carl Nisser	Resigned 11 February 2016
Jeffrey Lewis	Resigned 29 May 2015
Robert Miller	Appointed 10 November 2015

Statement of Directors’ responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the current Directors, whose names are listed in the Directors’ report on this page of the financial statements confirm that, to the best of each person’s knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit (or Loss) of the Group and Company; and
- the chairman’s statement contained in the annual financial statements includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group’s website www.tekcapital.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements as detailed in note 2.1.1 on page 15 of the financial statements.

Dividends

No dividend was paid or was proposed during the period ended 30 November 2015.

Directors' report for the year ended 30 November 2015 (continued)

Audit Committee

The Board operates an Audit Committee, chaired by Bill Payne. This Committee carries out duties as set out in the AIM Admission Document, supervising the financial and reporting arrangements of the Group. During the period, no issues arose that the Directors consider appropriate to disclose in their Report.

Remuneration Committee

The Board has delegated to its Remuneration Committee, chaired by Dr Robert Miller, certain responsibilities in respect of the remuneration of senior executives. During the period, no issues arose that the Directors consider appropriate to disclose in their Report.

Directors' Emoluments

	Salary & fees US $	**Benefits in kind US $**	**Pension US $**	**2015 Total US $**	2014 Total US $
Clifford M Gross	178,815	15,461	-	**194,276**	112,967
M J Malcolm Groat	19,224	-	-	**19,224**	13,162
Baroness Susan Greenfield	21,839	-	-	**21,839**	13,162
R W "Bill" Payne	21,839	-	-	**21,839**	13,162
Carl Nisser	21,839	-	-	**21,839**	13,162
Jeffery Lewis	9,996	-	-	**9,996**	2,207
Robert Miller	922	-	-	**922**	-
	274,474	15,461	-	**289,935**	167,822

Directors' beneficial interests in shares

	2015 No of Shares	2014 No of Shares	**2015 No of Options**	2014 No of Options
Clifford M Gross	**8,657,500**	8,657,500	**450,000**	-
M J Malcolm Groat	**-**	-	**200,000**	200,000
Baroness Susan Greenfield	**-**	-	**150,000**	75,000
R W "Bill" Payne	**400,000**	400,000	**195,000**	75,000
Carl Nisser	**100,000**	100,000	**120,000**	-
Jeffery Lewis	**100,000**	100,000	**-**	-
Robert Miller	**-**	-	**120,000**	-

The details of the options held by each director at 30 November 2015 are as follows:

	Number of options	Exercise price	Grant Date	Life
Clifford M Gross	450,000	£0.3625	8 June 2015	5 Years
M J Malcolm Groat	200,000	£0.25	31 March 2014	5 Years
Baroness Susan Greenfield	75,000	£0.25	31 March 2014	5 Years
	75,000	£0.3625	8 June 2015	5 Years
R W "Bill" Payne	75,000	£0.25	31 March 2014	5 Years
	120,000	£0.3625	8 June 2015	5 Years
Carl Nisser	120,000	£0.3625	8 June 2015	5 Years
Robert Miller	120,000	£0.4550	10 November 2015	5 Years

Tekcapital PLC

Directors’ report for the year ended 30 November 2015 (continued)

Post Balance Sheet Events

For further details, please refer to note 26 in the notes to the accounts.

Independent auditors

The Company has appointed H W Fisher & Company as auditors for the year. They have indicated their willingness to continue in office as auditor and they will be nominated at the Annual General Meeting to continue as auditors.

Statement of disclosure of information to auditors

Each of the persons who was a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company’s auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board of Directors and signed on behalf of the Board

M J Malcolm Groat

Director

29 April 2016

Tekcapital PLC

Independent auditor's report to the members of Tekcapital PLC for the year ended 30 November 2015

We have audited the Group and Parent Company financial statements of Tekcapital Plc for the year ended 30 November 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or, materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the company and group financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 November 2015 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Tekcapital PLC for the year ended 30 November 2015 (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Gary Miller (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company
Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London NW1 3ER
United Kingdom

Date: 29 April 2016

Tekcapital PLC

Consolidated Statement of comprehensive income
For the year ended 30 November 2015

Group	Note	**Year ended 30 November 2015 US $**	Year end 30 November 2014 US $
Continuing Operations			
Revenue	5	**407,420**	210,337
Gross Profit		**407,420**	210,337
Administrative expenses		**(1,868,124)**	(1,123,936)
Foreign exchange movements		**-**	(80,112)
Operating Loss		**(1,460,704)**	(993,711)
Finance income	8	**709**	142
Loss on ordinary activities before income tax		**(1,459,995)**	(993,569)
Income tax expense	9	**(820)**	(1,300)
Loss after tax		**(1,460,815)**	(994,869)
Loss for the year attributable to owners of the parent company		**(1,460,815)**	(994,869)
Other comprehensive income			
Foreign exchange gain		47,851	-
Total other comprehensive income		**47,851**	-
Total comprehensive income for the year attributable to owners of the parent company		**(1,412,964)**	(994,869)
Loss per share			
Basic and diluted earnings per share			
Loss per share	10	**(0.049)**	(0.050)

The Group has used the exemption under S408 CA 2006 not to disclose the company income statement.

Items in the statement above are disclosed net of tax.

The notes on pages 15 to 34 are an integral part of these consolidated financial statements.

Tekcapital PLC

Consolidated Statement of financial position
At 30 November 2015

Group	Note	As at 30 November 2015 US $	As at 30 November 2014 US $
Assets			
Non-current assets			
Intangible assets	12	**708,577**	350,251
Property, plant and equipment	13	**7,920**	6,628
		716,497	356,879
Current assets			
Trade and other receivables	14	**105,955**	90,568
Cash and cash equivalents	15	**3,139,246**	1,370,905
		3,245,201	1,461,473
Total assets		**3,961,698**	1,818,352
Current liabilities			
Trade and other payables	19	**241,181**	100,052
Current income tax liabilities		**1,300**	1,300
		242,481	101,352
Total liabilities		**242,481**	101,352
Net assets		**3,719,217**	1,717,000
Equity attributable to the owners of the parent			
Ordinary shares	17	**224,684**	154,842
Share premium	17	**5,980,751**	2,673,905
Retained earnings	18	**(2,461,900)**	(1,039,578)
Translation reserve	18	**47,851**	-
Merger reserves	18	**(72,169)**	(72,169)
Total equity		**3,719,217**	1,717,000

The notes on pages 15 to 34 are an integral part of these financial statements.

The financial statements on pages 10 to 34 were authorised for issue by the Board of Directors on 29 April 2016 and were signed on its behalf.

M J Malcolm Groat
Director

Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number 08873361

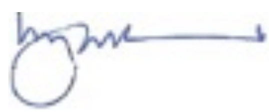
Tekcapital PLC

Statement of financial position
At 30 November 2015

Company	Note	As at 30 November 2015 US $	As at 30 November 2014 US $
Assets			
Non-current assets			
Intangible assets	12	**19,081**	29,701
Investment in subsidiaries	11	**2,371,820**	2,371,820
		2,390,901	2,401,521
Current assets			
Trade and other receivables	14	**3,128,780**	-
Cash and cash equivalents	15	**37,256**	-
		3,166,036	-
Total assets		**5,556,937**	2,401,521
Current liabilities			
Trade and other payables	19	**412,568**	8,009
		412,568	8,009
Total liabilities		**412,568**	8,009
Net assets		**5,144,369**	2,393,512
Equity attributable to the owners of the parent			
Ordinary shares	17	**224,684**	154,842
Share premium	17	**5,980,751**	2,673,905
Retained earnings	18	**(1,028,925)**	(435,235)
Translation reserve		**(32,141)**	-
Total equity		**5,144,369**	2,393,512

The notes on pages 15 to 34 are an integral part of these financial statements.

The financial statements on pages 10 to 34 were authorised for issue by the Board of Directors on 29 April 2016 and were signed on its behalf.



M J Malcolm Groat
Director

Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number 08873361

Tekcapital PLC

Statements of changes in equity
For the year ended 30 November 2015

Group	Note	Ordinary Shares US $	Share Premium US $	Translation Reserve US $	Merger reserve US $	Retained earnings US $	Total Equity US $
		Attributable to owners of the parent company					
Balance at 30 November 2013		94,953	-	-	(72,159)	(44,709)	(21,915)
Loss for the year		-	-	-	-	(994,869)	(994,869)
Acquired with new subsidiary		-	-	-	(10)	-	(10)
Share capital issued on initial				-			
public offering	17	59,889	3,598,553		-	-	3,658,442
Costs of share issue	17	-	(924,648)	-	-	-	(924,648)
Balance at 30 November 2014		154,842	2,673,905	-	(72,169)	(1,039,578)	1,717,000
Loss for the year		-	-	-	-	(1,460,815)	(1,460,815)
Other comprehensive income				47,851		-	47,851
Share based payments		-	-	-	-	38,493	38,493
Issue of Ordinary shares	17	69,270	3,436,126	-	-	-	3,505,396
Costs of share issue	17	-	(164,456)	-	-	-	(164,456)
Warrants exercised		572	35,176	-	-	-	35,748
Balance at 30 November 2015		**224,684**	**5,980,751**	**47,851**	**(72,169)**	**(2,461,900)**	**3,719,217**

Company	Note	Ordinary Shares US $	Share Premium US $	Translation Reserve US $	Retained earnings US $	Total Equity US $
		Attributable to owners of the parent company				
Balance at 30 November 2013		-	-	-	-	-
Loss for the year		-	-	-	(435,235)	(435,235)
Proceeds from shares issued	17	154,842	3,598,553	-	-	3,753,395
Costs of share issue	17	-	(924,648)	-	-	(924,648)
Balance at 30 November 2014		154,842	2,673,905	-	(435,235)	2,393,512
Loss for the year		-	-	-	(632,183)	(632,183)
Other comprehensive income		-	-	(32,141)	-	(32,141)
Share based payments		-	-	-	38,493	38,493
Issue of Ordinary shares	17	69,270	3,436,126	-	-	3,505,396
Costs of share issue	17	-	(164,456)	-	-	(164,456)
Warrants exercised		572	35,176	-	-	35,748
Balance at 30 November 2015		**224,684**	**5,980,751**	**(32,141)**	**(1,028,925)**	**5,144,369**

The notes on pages 15 to 34 are an integral part of these financial statements.

Tekcapital PLC

Consolidated Statement of cash flows
For the year ended 30 November 2015

Group	Note	**For the year ended 30 November 2015 US $**	For the year ended 30 November 2014 US $
Cash flows from operating activities			
Cash generated from operations	22	**(1,222,474)**	(1,014,434)
Taxation paid		**(820)**	-
Net cash generated from operating activities		**(1,223,294)**	(1,014,434)
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(4,349)**	(8,631)
Purchases of intangible assets	12	**(162,080)**	(33,306)
Interest received		**709**	142
Net cash used in investing activities		**(165,720)**	(41,795)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	17	**3,286,060**	3,337,882
Costs of raising finance		**(164,456)**	(924,648)
Proceeds from the exercise of warrants		**35,751**	-
Net cash used in financing activities		**3,157,355**	2,413,234
Net increase in cash and cash equivalents		**1,768,341**	1,357,005
Cash and cash equivalents at beginning of year		**1,370,905**	13,900
Cash and cash equivalents at end of year		**3,139,246**	1,370,905

Tekcapital PLC

Notes to the accounts
For the year ended 30 November 2015

1. General Information

Tekcapital PLC is a company incorporated in England and Wales and domiciled in the UK. The address of the registered office is detailed on page 1 of these financial statements. The Company is a public limited company, which is listed on the AIM market of the London Stock Exchange.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements of Tekcapital PLC have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Going concern

The Group meets its day to day working capital requirements through its bank facilities and monies raised by an initial public offering made April 2014 and a follow on raise in May 2015. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future.

The Group delivered an operating loss of US$1,460,704 before tax. Cash inflow was strong due to the follow on raise in May 2015.

The Company therefore continues to adopt the going concern basis in preparing both its consolidated financial statements and for its own financial statements.

2.1.2 Changes in accounting policy and disclosures

New standards and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods after 30 November 2015, and have not been applied in preparing these consolidated financial statements. These include:

- IFRS 9 Financial Instruments
- IAS 1 Disclosure Initiative – Amendments to IAS 1
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 15 Revenue from contracts with customers

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

No other issued but not endorsed amendments to IFRS will have a material impact on the Group's financial statements once they become endorsed and effective.

2.2 Consolidation

Tekcapital PLC was incorporated on 3 February 2014 and on 18 February 2014 entered into an agreement to acquire the issued share capital of Tekcapital Europe Limited by way of share issue. On 19 February 2014 it acquired the issued share capital of Tekcapital LLC also by share issue. This has been accounted for as a common control transaction under IFRS 3 using the pooling of interest method by using the nominal value of shares exchanged in the business combination and no fair value adjustment.

The consolidated financial statements comprise the financial statements of Tekcapital PLC, Tekcapital LLC and the consolidated financial statements of Tekcapital Europe Limited and its subsidiaries. Other than those subsidiaries mentioned above, all other subsidiaries have been consolidated using the acquisition method of consolidation.

Subsidiaries are entities that are controlled by the Group. Controlled is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain economic benefit from its activities. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

IFRS 13 did not affect any fair value measurements of the Group's assets or liabilities and therefore had no effect on the Group's financial position or performance.

2.3 Foreign currencies

(a) Functional and presentation currency

These consolidated financial statements are presented in US Dollars which is the presentation currency of the Group. This is because the majority of the groups transactions are undertaken in US Dollars. Each subsidiary within the group has its own functional currency which is dependent on the primary economic environment in which that subsidiary operates.

Effective 1 December 2014 Tekcapital PLC and Tekcapital Europe Limited changed their functional currency to UK Sterling. This is because, for these entities, their economic activity is primarily undertaken in the UK.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'.

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing exchange rates at the date of that balance sheet

(ii) income and expense for each income statement are translated at the average rates of exchange during the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions)

(iii) all resulting exchange differences are recognised in other comprehensive income.

2.4 Property, plant and equipment

Computer equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of assets is calculated is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Furniture	-	3 years
Computer equipment	-	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Other gains / (losses) – net' in the income statement. When re-valued assets are sold, the amounts are included in other reserves are transferred to retained earnings.

2.5 Intangible assets

(a) Invention Evaluator

This is an intangible asset and a piece of computer software acquired for use by one of the subsidiaries of the Group and is valued at original cost of purchase.

Under IAS38, this asset is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that the asset is unique in that no competitor offering currently exists, the service appeals globally to many types of clients including Fortune 100 companies, there is no expectation of obsolescence in the foreseeable future, and the service generates sufficient ongoing revenue streams.

Consequently, no write down in the value of this asset either by way of amortisation or impairment has occurred in this financial year. In the Directors' opinion this asset has an indefinite useful life.

(b) Computer software and website development

Costs associated with maintaining computer software programmes and the Company website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(i) it is technically feasible to complete the software product so that it will be available for use;

(ii) management intends to complete the software product and use or sell it;

(iii) there is an ability to use or sell the software product;

(iv) it can be demonstrated how the software product will generate probable future economic benefits;

(v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

(vi) the expenditure attributable to the software product during its development can be reliable measured.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

2.5 Intangible assets (continued)

(c) Licenses

Costs associated with the acquisition of Licenses for technologies with the express purpose of developing them further for a commercial market are recognised as an intangible asset when they meet the criteria for capitalisation. That is, they are separately identifiable and measureable and it is probable that economic benefit will flow to the entity.

Further development costs attributable to the Licensed technology and recognised as an intangible asset when the following criteria are met:

(i) it is technically feasible to complete the technology for commercialisation so that it will be available for use;

(ii) management intends to complete the technology and use or sell it;

(iii) there is an ability to use or sell the technology;

(iv) it can be demonstrated how the technology will generate probable future economic benefits;

(v) adequate technical, financial and other resources to complete the development and to use or sell the technology are available; and

(vi) the expenditure attributable to the technology during its development can be reliable measured.

Licenses and their associated development costs are amortised over the life of the license or the underlying patents, whichever is shorter.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, (CGUs). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 Financial assets

2.7.1 Classification

The Company classifies its financial assets depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. During the financial year the Group held loans and receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities that are greater than 12 months after the end of the reporting year. These are classified as noncurrent assets. The Group's loans and receivables comprise 'trade and other receivables' in the balance sheet. The Group also has cash and cash equivalents.

2.7.2 Recognition and measurement

Loans and receivables are recognised on the trade date in which the transaction took place, and are recognised at their fair value with transaction costs expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the loans or receivables have been collected, expired or transferred and the Group has subsequently transferred substantially all risks and rewards of ownership.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is the intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Tekcapital PLC

Notes to the accounts
For the year ended 30 November 2015

2.9 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and the loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications of that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as the improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.10 Trade receivables

Trade receivables are amounts due from customers for the provision of services performed in the ordinary course of business. Collection is normally expected within three months or less (in the normal operating cycle of the business) and is classified as current assets. In the rare circumstances that they exceed a period of greater than one year they are presented as non-current assets.

In some instances, the Group accepts convertible loan notes for trade debts these are held separately on the statement of financial affairs until maturity or disposal on the open market. Any value received which is greater or less than the value of the original debt is taken to the consolidated statement of comprehensive income.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

2.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with other banks, other short term highly liquid investments with maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.12 Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares and new shares options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options as and when they occur.

2.12 Share capital (continued)

Merger Reserve

The consolidated financial statements are accounted for using the 'pooling of interests' method', which treats the Group as if it had been combined throughout the current and comparative accounting periods. Pooling of interests principles for this combination gave rise to a merger reserve in the consolidated statement of financial position, being the difference between the nominal value of new shares issued by the Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital.

2.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.14 Share warrants

The Group issued Warrants to the Company brokers during the initial public offering, which are not treated to be share based payments.

2.15 Share based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example the requirement of the employees to save).

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the originally estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.16 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

2.16 Current and deferred tax (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in full in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

2.17 Provisions

Provisions and any other anticipated foreseen liabilities are recognised: when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties, and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering a class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services supplied, stated net of discounts, and value added taxes. The Group recognises revenue when the amount of revenue can reliably be measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Provision of services

Income is derived from the provision of services either when a report is issued to the client; or when a specialist fee is incurred for the transfer of rights to intellectual property where a client has acquired IP from a report. Revenue is recognised when a service has been provided.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3. Financial Risk Management

3.1 Financial risk factors

(a) Credit Risk

Credit risk is managed on a Group basis. In order to minimise this risk, the Group endeavours to only deal with companies that are demonstrable creditworthy, and the Directors continuously monitor the exposure.

3.1 Financial risk factors (continued)

(b) Liquidity Risk

Cash flow forecasting is performed on a Group basis. The Directors monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

At the reporting date the Group held bank balances of US $3,139,246.

(c) Financial risk management

The Company's Directors review the financial risk of the Group. Due to the early stage of its operations the Group has not entered into any form of financial instruments to assist in the management of risk during the period under review.

(a) Market risk

Due to low value and number of financial transactions that involve foreign currency and the fact that the Group has no borrowings to manage, the Directors have not entered into any arrangements, adopted or approved the use of derivative financial instruments to assist in the management of the exposure of these risks. It is their view that any exchange risks on such transactions are negligible.

(b) Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency, with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to adjust or maintain the capital structure, the Group may adjust the level of dividends paid to its shareholders, return capital to shareholders, issue new shares or sell assets to reduce borrowings. The Group has no external borrowings. This policy is periodically reviewed by the Directors, and the Group's strategy remains unchanged for the foreseeable future.

The capital structure of the Group consists of cash and bank balances and equity consisting of issued share capital, reserves and retained losses of the Group. The Directors regularly review the capital structure of the Company and consider the cost of capital and the associated risks with each class of capital. The Company has no external borrowings and this has no impact on the gearing levels of the Group as at 30 November 2015.

3.3 Fair value

Financial instruments are measured at fair value including cash and cash equivalents trade and other payables, and borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair value. The fair value of borrowings equals their carrying amounts, as the impact of discounts is not significant.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors make estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of the assets and liabilities within the next financial year are detailed below.

4. Critical accounting estimates and judgements (continued)

(a) Deferred taxes

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

(b) Useful life of Invention Evaluator website

The Directors have considered the useful life of the Invention Evaluator website to be indefinite because of the uniqueness of the service it provides and that there is no competitor in the market in which the Group operates who is able to provide a similar service. The Directors will undertake an annual review that considers any impairment and if required make a provision in the financial statements.

(c) Share based payments

The estimate of share based payments costs requires the Directors to select an appropriate valuation model and make decisions about various inputs into the model including the volatility of its own share price, the probable life of the options and the risk free interest rate.

5. Segmental reporting

The Directors consider the business to have two segments for reporting purposes under IFRS 8 which are;

- professional services, including the provision of reports and any services provided to locate and transfer technologies to customers
- licensing activities, including acquiring licenses for technologies and their subsequent out licensing

Segmental revenues and results

2015 **Consolidated income statement**	**Professional Services** **US $**	**Licensing Activities** **US $**	**Other** **US $**	**Total** **US $**
Revenue	407,420	-	-	407,420
Administrative expenses	(328,862)	(35,000)	(1,478,118)	(1,841,980)
Depreciation and amortisation	-	(12,467)	(13,677)	(26,144)
Group operating income/(loss)	78,558	(47,467)	(1,491,795)	(1,460,704)
Finance income	-	-	709	709
Income/(Loss) on ordinary activities before income tax	78,558	(47,467)	(1,491,086)	(1,459,995)
Income tax expense	-	-	(820)	(820)
Income/(Loss) after tax	78,558	(47,467)	(1,491,906)	(1,460,815)

Notes to the accounts
For the year ended 30 November 2015

5. Segmental reporting (continued)

2014 Consolidated income statement	**Professional Services US $**	**Licensing Activities US $**	**Other US $**	**Total US $**
Revenue	210,337	-	-	210,337
Administrative expenses	(240,106)	-	(878,222)	(1,118,328)
Depreciation and amortisation	-	-	(5,608)	(5,608)
Foreign exchange movements	-	-	(80,112)	(80,112)
Group operating loss	(29,769)	-	(963,942)	(993,711)
Finance income	-	-	142	142
Loss on ordinary activities before income tax	(29,769)	-	(963,800)	(993,569)
Income tax expense			(1,300)	(1,300)
Loss after tax	(29,769)	-	(965,100)	(994,869)

Segment assets and liabilities

2015 Consolidated statement of financial position	**Professional Services US $**	**Licensing Activities US $**	**Other US $**	**Total US $**
Assets	378,917	365,761	3,217,020	3,961,698
Liabilities	-	-	(242,481)	(242,481)
Net assets	378,917	365,761	2,974,539	3,719,217

2014 Consolidated statement of financial position	**Professional Services US $**	**Licensing Activities US $**	**Other US $**	**Total US $**
Assets	369,335	-	1,449,017	1,818,352
Liabilities	-	-	(101,352)	(101,352)
Net assets	369,335	-	1,347,665	1,717,000

Geographical information

Disclosure of Group revenues by geographic location.

	2015 US $	2014 US $
United Kingdom	**4,598**	32,576
United States	**402,822**	177,761
Total revenue	**407,420**	210,337

6. Expenses

6.1 Expenses by nature

Group	**2015 US $**	2014 US $
Depreciation of property plant and equipment	**3,057**	2,003
Amortisation of other intangible assets	**23,087**	3,605
Other administration expenses	**1,841,980**	1,118,327
Foreign exchange movements	**-**	80,112
Total expenses	**1,868,124**	1,204,047

6.2 Auditor remuneration

During the year, the Group (including its subsidiaries) obtained the following services provided by the auditor and its associates:

Group	**2015** **US $**	2014 US $
Fees payable to the Group's auditor and its associated for the audit of the Group and Company financial statements	**37,546**	32,040
Fees payable to the Company's auditor and its associates for other services		
- Tax advisory services	**11,157**	-
- Audit related assurance services	**38,313**	-
- Other non audit services	**1,916**	-
	88,932	32,040

7. Employees

7.1 Directors' emoluments

Group	**2015** **US $**	2014 US $
Directors emoluments	**289,935**	167,822
Total	**289,935**	167,822

The highest paid Director received a salary of $178,815 (2014: $111,551) and benefits of $15,461 (2014: $11,443).

The highest paid Director did not exercise any share options or receive any shares from the Company during the current year.

7.2 Employee benefit expense

Group	**2015** **US $**	2014 US $
Wages and salaries including restructuring costs and other termination benefits	**579,402**	449,185
Social security costs	**57,799**	21,202
Share options granted to directors and employees	**38,493**	-
Total	**675,694**	470,387

7.3 Average number of people employed

Group	**2015**	2014
Average number of people (including executive directors) employed		
Operations	**1**	1
Management	**3**	8
Administration	**1**	1
Total average headcount	**5**	10

8. Finance income and costs

Group	**2015** **US $**	2014 US $
Finance Income:		
- Interest income on short term bank deposits	**709**	142
Finance income	**709**	142

Notes to the accounts
For the year ended 30 November 2015

9. Income tax expense

Group	2015 US $	2014 US $
Current tax		
Current tax on profits for the year	**820**	1,300
Adjustments in respect of prior year	**-**	-
Total current tax	**820**	1,300
Income tax expense	**820**	1,300

Group	2015 US $	2014 US $
(Loss) before tax	**(1,459,995)**	(993,569)
Tax calculated at domestic tax rates applicable to profits in the respective countries	**(291,999)**	(198,714)
Tax effects of:		
- Unrecognised and unused tax losses carried	**-**	-
- Expenses not deductible for tax purposes	**9,118**	-
- Income not taxable for tax purposes	**-**	(11,204)
- Capital allowances in excess of depreciation	**1,865**	(9,612)
- Unrelieved tax losses and other deductions	**281,836**	220,830
Total income tax charge	**820**	1,300

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses.

The weighted average applicable tax rate was 20%. The increase is caused by a standard amount of tax payable in those States in the USA which a subsidiary company operates from and is not attributable to the level of profits or losses incurred.

Unused tax losses for which no deferred tax assets have been recognised is attributable to the uncertainty over the recoverability of those losses through future profits.

10. Loss per share

	2015 US $	2014 US $
Loss from continuing operations attributable to owners of the parent	**(1,460,815)**	(994,869)
Total	**(1,460,815)**	(994,869)
Basic and diluted earnings per share		
Weighted average number of ordinary shares in issue (000's)	**29,902**	20,078
Loss per share	**(0.049)**	(0.050)

Any options and warrants do not have a dilutive effect on the EPS as the Group is loss-making.

Notes to the accounts
For the year ended 30 November 2015

11. Investments in subsidiaries

Company	**Shares in subsidiaries**	**Loans to subsidiaries**	**Total US $**
Cost and net book value			
At 1 December 2013	-	-	-
Additions during the year	94,954	2,276,866	2,371,820
Balance at 30 November 2014	94,954	2,276,866	2,371,820
Additions during the year	-	-	-
Balance at 30 November 2015	**94,954**	**2,276,866**	**2,371,820**

Principal subsidiaries name	**Country of Incorporation and place of business**	**Proportion of ordinary shares directly held**	**Nature of business**
Tekcapital Europe Limited	England and Wales	100%	Provision of Intellectual property research services
Tekcapital LLC	USA	100%	Provision of Intellectual property research services
Non Invasive Glucose Tek Limited (*)	England and Wales	100%	Commercialising Intellectual property
Ocutek Limited (*)	England and Wales	100%	Commercialising Intellectual property
Smart Food Tek Limited (*)	England and Wales	100%	Commercialising Intellectual property
eGravitas Limited (*)	England and Wales	100%	Commercialising Intellectual property
Frigidus Limited (*)	England and Wales	100%	Commercialising Intellectual property
eSoma Limited (*)	England and Wales	100%	Commercialising Intellectual property

* 100% subsidiary of Tekcapital Europe Limited

The Group owns 100% of the above subsidiaries and consequently has full control over them. As at the year end, the Group has no interest in the ownership of any other entities, or exerts any significant influence over or provides funding which constitutes an "unconsolidated structured entity".

All UK subsidiaries are exempt from the requirement to file audited accounts by virtue of section 479A of the Companies Act 2006. As part of this process, the Company has provided statutory guarantees to these subsidiaries.

The Company's loss before tax for the year ended 30 November 2015 was $632,183.

Notes to the accounts
For the year ended 30 November 2015

12. Intangible assets

Group	Purchased intangible assets			
	Licenses US $	**Website development US $**	**Invention Evaluator US $**	**Total US $**
At 1 December 2013	-	-	-	-
Additions during the year	-	33,306	320,550	353,856
At 30 November 2014	-	33,306	320,550	353,856
Additions during the year	378,228	-	3,185	381,413
At 30 November 2015	**378,228**	**33,306**	**323,735**	**735,269**
Accumulated amortisation and impairment				
At 1 December 2013	-	-	-	-
Amortisation charge for the year	-	(3,605)	-	(3,605)
At 30 November 2014	-	(3,605)	-	(3,605)
Amortisation charge for the year	(12,467)	(10,620)		(23,087)
At 30 November 2015	**(12,467)**	**(14,225)**	**-**	**(26,692)**
Net book value				
At 30 November 2014	-	29,701	320,550	350,251
At 30 November 2015	**365,761**	**19,081**	**323,735**	**708,577**

Under IAS38, the Group's Invention Evaluator is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that the asset is unique in that no competitor offering currently exists, the service is already proven to have appeal globally to many types of clients including Fortune 100 companies, there is no expectation of obsolescence in the foreseeable future, and the service generates sufficient ongoing revenue streams. The Directors have carried out an impairment review and believe that the value in use is significantly greater than book value.

Company	Purchased intangible assets	
	Website development US $	**Total US $**
At 1 December 2013	-	-
Additions during the year	33,306	33,306
At 30 November 2014	33,306	33,306
Additions during the year	**-**	**-**
At 30 November 2015	**33,306**	**33,306**
Accumulated amortisation and impairment		
At 1 December 2013	-	-
Amortisation charge for the year	(3,605)	(3,605)
At 30 November 2014	(3,605)	(3,605)
Amortisation charge for the year	(10,620)	(10,620)
At 30 November 2015	**(14,225)**	**(14,225)**
Net book value		
At 30 November 2014	29,701	29,701
At 30 November 2015	**19,081**	**19,081**

Notes to the accounts
For the year ended 30 November 2015

13. Property, plant and equipment

Group	**Computer Equipment US $**	**Furniture and Equipment US $**	**Total US $**
At 1 December 2013	-	-	-
Additions during the year	1,659	6,972	8,631
At 30 November 2014	1,659	6,972	8,631
Additions during the year	-	4,349	4,349
At 30 November 2015	**1,659**	**11,321**	**12,980**
Accumulated amortisation and impairment			
At 1 December 2013	-	-	-
Amortisation charge for the year	(169)	(1,834)	(2,003)
At 30 November 2014	(169)	(1,834)	(2,003)
Amortisation charge for the year	(331)	(2,726)	(3,057)
At 30 November 2015	**(500)**	**(4,560)**	**(5,060)**
Net book value			
At 30 November 2014	1,490	5,138	6,628
At 30 November 2015	**1,159**	**6,761**	**7,920**

14. Trade and other receivables

Group	**2015 US $**	2014 US $
Trade receivables	**55,182**	48,785
Less provision for impairment of trade receivables	**-**	-
Trade receivables – net	**55,182**	48,785
VAT	**14,267**	37,283
Prepayments	**36,506**	4,500
Total trade and other receivables	**105,955**	90,568

The fair value of trade and other receivables are not materially different to those disclosed above. The Groups exposure to credit risk related to trade receivables is detailed in note 3 to the accounts on page 22.

Company	**2015 US $**	2014 US $
Receivables from Group companies	**3,128,780**	-
Total trade and other receivables	**3,128,780**	-

15. Cash and cash equivalents

Group	**2015 US $**	2014 US $
Cash and bank and in hand	**3,139,246**	1,370,905
Total cash and cash equivalents	**3,139,246**	1,370,905

15. Cash and cash equivalents (continued)

Company	2015 US $	2014 US $
Cash at bank and in hand	**37,256**	-
Total cash and cash equivalents	**37,256**	-

16. Categories of financial assets and financial liabilities

Group	2015 US $	2014 US $
Financial assets		
Loans and receivables at amortised cost	**55,182**	48,785
Cash and equivalents	**3,139,246**	1,370,905
	3,194,428	1,419,690
Financial liabilities		
Trade and other payables at amortised cost	**224,285**	100,052

Company	2015 US $	2014 US $
Financial assets		
Loans and receivables at amortised cost	**3,128,780**	-
Cash and equivalents	**37,256**	-
	3,166,036	-
Financial liabilities		
Trade and other payables at amortised cost	**412,568**	8,009

17. Share capital and premium

Share capital

Group and Company	Number of shares	Ordinary Shares US $	Total US $
Issued and fully paid up			
At 30 November 2014	23,383,747	154,842	154,842
Shares issued for the acquisition of Licenses	614,592	3,549	3,549
Shares issued in further public offering	10,750,000	65,721	65,721
Share issued on exercise of warrants	95,000	572	572
At 30 November 2015	**34,843,339**	**224,684**	**224,684**

The shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The following shares were issued during the year:

10 February 2015 — 65,732 shares were issued as consideration of $19,333 for the acquisition of a licence

14 April 2015 — 479,060 shares were issued as consideration of $150,000 for the acquisition of a licence

6 May 2015 — 10,750,000 shares were issued in a further public offering. The net proceeds received were $3,121,604.

21 August 2015 — 69,800 share were issued as consideration of $50,000 for the acquisition of a license

Broker warrants for 95,000 shares granted on the 31st March 2014 were exercised on 30th November 2015 at an exercise price of £0.25 pence.

Tekcapital PLC

Notes to the accounts
For the year ended 30 November 2015

17. Share capital and premium (continued)

Share premium

Group and Company	**Share premium US $**	Total US $
Share issued on acquisition of subsidiary on 3 February 2014	-	-
Premium on share issued	3,598,553	3,598,553
Share issue costs	(924,648)	(924,648)
At 30 November 2014	2,673,905	2,673,905
Premium on shares issued	3,436,126	3,436,123
Share issue costs	(164,456)	(164,456)
Premium on warrants exercised	35,176	35,179
At 30 November 2015	**5,980,751**	**5,980,751**

18. Reserves

Retained earnings

	Group Retained earnings US $	**Company Retained earnings US $**
As at 1 December 2013	(44,709)	-
Loss for the year	(994,869)	(435,235)
At 30 November 2014	(1,039,578)	(435,235)
Loss for the year	(1,460,815)	(632,183)
Share based payments	38,493	38,493
At 30 November 2015	**(2,461,900)**	**(1,028,925)**

Merger reserve

Group	**Merger reserve US $**
As at 1 December 2013	(72,159)
Transfer during the year	(10)
At 30 November 2014	(72,169)
At 30 November 2015	**(72,169)**

Translation reserve

	Company Translation reserve US $	**Company Translation reserve US $**
As at 30 November 2014	-	-
Foreign exchange gain	47,851	(32,141)
At 30 November 2015	**47,851**	**(32,141)**

Notes to the accounts
For the year ended 30 November 2015

19. Trade and other payables

Group	**2015 US $**	2014 US $
Trade creditors	**45,096**	51,312
Amounts due to related parties	**-**	9,411
Social security and other taxes	**16,896**	-
Accruals, deferred income and other creditors	**179,189**	39,329
	241,181	100,052

Company	**2015 US $**	2014 US $
Amounts due to related parties	**328,717**	-
Accruals, deferred income and other creditors	**83,851**	8,009
	412,568	8,009

The fair values of trade and other payables are not materially different to those disclosed above.

The Group's exposure to currency and liquidity risk related to trade and other payables is detailed in note 3 to the accounts on page 22.

20. Deferred income tax

Unused tax losses for which no deferred tax assets have been recognised is attributable to the uncertainty over the recoverability of those losses through future profits. A tax rate of 20% has been used to calculate the potential deferred tax.

Deferred tax	**Group 2015 US $**	Group 2014 US $	**Company 2015 US $**	Company 2014 US $
Accelerated capital allowances	**(1,865)**	7,266	**(2,124)**	5,940
Short term timing difference	**-**	11,204	**-**	-
Tax losses	**(501,845)**	(208,796)	**(120,916)**	(7,587)
Unprovided deferred tax asset	**503,710**	190,326	**123,040**	1,647
	-	-	-	-

21. Dividends

No dividend has been declared for the year ended 30 November 2015 (2014: Nil) and no dividend was paid during the year.

22. Cash generated from operations

Group	**2015 US $**	2014 US $
Loss before income tax	**(1,459,995)**	(993,569)
Adjustments for		
- Depreciation	**3,057**	2,003
- Amortisation	**23,087**	3,605
- Finance costs – net	**(709)**	(142)
- Share based payments expense	**38,493**	-
- Movement in foreign exchange	**47,851**	-
Movement in trade and other receivables	**(15,387)**	(78,658)
Movement in trade and other payables	**141,129**	52,354
Cash generated	**(1,222,474)**	(1,014,434)

23. Commitments

Operating lease commitments

The Group's subsidiary in the USA has signed an office rental agreement. The commitment runs until May 2017.

The total un-provided lease commitment is:

Group	**2015 US $**	2014 US $
Arising:		
No later than 1 year	**26,549**	25,800
Later than 1 year and no later than 5 years	**13,468**	37,800
Total	**40,017**	63,600

24. Share based payments

The Group operates an approved Enterprise management scheme and an unapproved share option scheme.

The fair value of the options granted is expensed over the vesting period and is arrived at using the Black-Scholes model. The assumptions inherent in the use of this model are as follows:

- The option life is assumed to be at the end of the vesting period
- No variables change during the lift of the option (e.g. dividend yield must be zero)
- Expected volatility is 35.077%
- Risk free interest rate 2.5%

The share based payment expense for the year was $38,493 (2014: $Nil).

Details of the number of share options and the weighted average exercise price outstanding during the year as follows:

		2015		2014
Group and Company	**Av. Exercise price per share £**	**Options (Number)**	Av. Exercise price per share £	Options (Number)
As at 1 December	0.2500	700,000	-	-
Granted	0.3752	1,810,000	0.2500	975,000
Exercised	-	-	-	-
Forfeited	-	-	0.2500	(275,000)
As at 30 November	**0.3403**	**2,510,000**	0.2500	700,000

The weighted average remaining contractual life is 4.1 years (2014: 4.3 years).

- 250,000 options were issued on the 4 December 2014 to senior employees at an exercise price of £0.1925. These options are exercisable from the third anniversary of grant with a maximum term of 5 years.
- 890,000 options were issued on 8 June 2015 to Directors and senior employees at an exercise price of £0.3625. These options will vest one third each anniversary date or in full if the share price attains £1.00 or higher for 10 consecutive days at any time during the term. The options have a term of 5 years.
- 450,000 options were issued on 8 June 2015 to a Director at an exercise price of £0.3625. These options will vest one third each anniversary date or in full if the share price attains £1.00 or higher for 10 consecutive days at any time during the term. The options have a term of 5 years.
- 220,000 options were issued on 10 November 2015 to Directors and senior employees at an exercise price of £0.455. These options will vest one third each anniversary date or in full if the share price attains £1.00 or higher for 10 consecutive days at any time during the term. The options have a term of 5 years.

Notes to the accounts
For the year ended 30 November 2015

25. Related party transactions

During the year the company paid back a loan received from Dr Clifford Gross, who is a related party due to his role as Executive Chairman / Director, employee and substantial shareholder. The amount repaid was US $9,411. At year end the amount outstanding was $ nil (2014: $9,411).

On 8 June 2015 (the "Grant Date"), Dr Clifford Gross was granted 450,000 options to subscribe for new ordinary shares ("Options"), with these Options having an exercise price of 36.25p per share, being the closing mid-market price of Ordinary Shares on 5 June 2015. These Options vest over a three year period as to one third on the first anniversary, one third on the second anniversary and one third on the third anniversary of the Grant Date. All Options granted will vest immediately if the mid-price of ordinary shares is maintained at or above £1.00 for ten consecutive trading days. The Options will expire on the fifth anniversary of the Grant Date. As a holder of more than 10% of the Company's issued share capital, Dr Clifford Gross is a substantial shareholder under the AIM Rules for Companies and therefore this grant of Options to him was a related party transaction pursuant to those rules.

During the year the company employed the services of MMM Consulting Ltd, a company of which Malcom Groat is a Director and minority shareholder. The fees paid were $40,500 (2014: $32,268). The balance outstanding at year end was $ Nil (2014: $2,400).

Details of Directors' remuneration and grant of options are given in the Directors' report.

The Group has taken advantage of the exemption in IAS 24 "related parties" not to disclose transactions with other Group companies.

26. Events after the reporting period

At the time of signing these account, the Directors had completed the acquisition of the business of the Vortechs Groups Inc. ("Vortechs Group"). Consideration for the acquisition was by way of $100,000 cash and the issue of 577,868 new ordinary share of 0.4 pence to Vortechs Group at an issue price of £0.475 per share.

The acquisition has been structured so that Tekcapital acquires the intellectual capital assets of Vortechs Group and certain other assets of the business. Tekcapital will not acquire the Vortechs Group corporate entity and certain of its fixed assets. Additionally, Tekcapital will not acquire or assume any of Vortechs Group's liabilities.