

iQur Ltd

Report and Financial Statements

Year Ended

31 March 2016

Company Number 04665665



iQur Ltd

Contents

	Page
Company Information Page	
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 21

Company Information

Directors	Prof W. M. C. Rosenberg Dr C. B. Campbell B. Reynolds Dr J. Tite Mr M. R. Underwood
Company secretary	Prof. W. M. C. Rosenberg
Registered number	04665665
Registered office	The London Bioscience Innovation Centre 2 Royal College Street London NW1 0NH
Independent auditors	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

iQur Ltd

Directors' Report For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Results and dividends

The loss for the year, after taxation, amounted to £463,366 (2015, - £374,688).

No dividends have been paid or proposed in the year.

Future developments

There are no significant future developments expected in the business. The business continues to operate in the same way, carrying out significant research and development activities in the pursuit of the creation of vaccines focusing on influenza, malaria and hepatitis.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors

The directors who served during the year were:

Prof W. M. C. Rosenberg
Dr C. B. Campbell
B. Reynolds
Dr J. Tite
Dr M. A. Whelan (resigned 25 July 2016)
Mr M. R. Underwood

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

iQur Ltd

Directors' Report (continued) For the Year Ended 31 March 2016

Disclosure of information to auditors

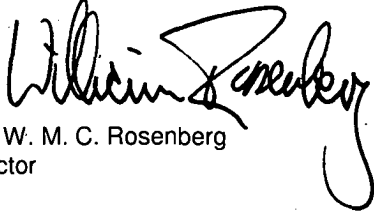
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *23rd December 2016* and signed on its behalf.



Prof W. M. C. Rosenberg
Director

iQur Ltd

Independent Auditors' Report to the Members of iQur Ltd

We have audited the financial statements of iQur Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditor's 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, 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 financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

iQur Ltd

Independent Auditors' Report to the Members of iQur Ltd

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report



Kier White (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Southampton
United Kingdom

28 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

iQur Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	109,278	128,597
Cost of sales		(56,269)	(58,524)
Gross profit		53,009	70,073
Administrative expenses		(920,945)	(772,337)
Other operating income		327,074	281,355
Operating loss	4	(540,862)	(420,909)
Interest receivable and similar income		1,569	720
Loss before tax		(539,293)	(420,189)
Tax on loss	7	75,927	45,501
Loss for the year		(463,366)	(374,688)

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 9 to 21 form part of these financial statements.

iQur Ltd
Registered number:04665665

Balance Sheet
As at 31 March 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	8		98,394		91,224
Tangible assets	9		67,497		43,778
Fixed asset investments			102		102
			<u>165,993</u>		<u>135,104</u>
Current assets					
Debtors	11	261,726		153,952	
Cash at bank and in hand		432,181		462,771	
		<u>693,907</u>		<u>616,723</u>	
Creditors: amounts falling due within one year	12	(100,635)		(86,218)	
Net current assets			<u>593,272</u>		<u>530,505</u>
Total assets less current liabilities			<u>759,265</u>		<u>665,609</u>
Net assets			<u><u>759,265</u></u>		<u><u>665,609</u></u>
Capital and reserves					
Called up share capital	14		21,444		18,659
Share premium account			10,494,935		9,940,698
Profit and loss account			(9,757,114)		(9,293,748)
			<u>759,265</u>		<u>665,609</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Prof W. M. C. Rosenberg

Director

23/12/16

The notes on pages 9 to 21 form part of these financial statements.

iQur Ltd

Statement of Changes in Equity For the Year Ended 31 March 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	18,659	9,940,698	(9,293,748)	665,609
Loss for the year	-	-	(463,366)	(463,366)
Shares issued during the year	2,785	554,237	-	557,022
At 31 March 2016	21,444	10,494,935	(9,757,114)	759,265

Statement of Changes in Equity For the Year Ended 31 March 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	2,594	8,039,313	(8,980,060)	(938,153)
Loss for the year	-	-	(374,688)	(374,688)
Share options issued in lieu of salary	-	-	61,000	61,000
Shares issued during the year	16,065	-	-	16,065
Premium on shares issued during the year	-	634,761	-	634,761
Expenses of share issue	-	(5,526)	-	(5,526)
Conversion of loan stock	-	1,272,150	-	1,272,150
At 31 March 2015	18,659	9,940,698	(9,293,748)	665,609

The notes on pages 9 to 21 form part of these financial statements.

iQur Ltd

Statement of Cash Flows For the Year Ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(463,366)	(374,688)
Adjustments for:		
Amortisation of intangible assets	30,936	38,494
Depreciation of tangible assets	14,438	9,440
Interest received	(1,569)	(720)
Taxation	(75,927)	(45,501)
(Increase)/decrease in debtors	(112,728)	18,257
Increase/(decrease) in creditors	14,417	(192,757)
Charge for fair value of share option	-	61,000
Corporation tax	80,881	47,019
Net cash used in operating activities	(512,918)	(439,456)
Cash flows from investing activities		
Purchase of intangible fixed assets	(38,106)	(30,691)
Purchase of tangible fixed assets	(38,157)	(17,809)
Interest received	1,569	720
Net cash used in investing activities	(74,694)	(47,780)
Cash flows from financing activities		
Share issue expenses	-	(5,526)
Share capital issued	557,022	643,500
Net cash from financing activities	557,022	637,974
Net (decrease)/increase in cash and cash equivalents	(30,590)	150,738
Cash and cash equivalents at beginning of year	462,771	312,033
Cash and cash equivalents at the end of year	432,181	462,771
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	432,181	462,771

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

iQur Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The Company's cash position as at 31 March 2016 was £432,181 (2015: £462,771). The directors intend to raise additional funding in the first quarter of 2017 from existing and new investors, however if this funding is not available management will introduce cost saving measures. Based on the cash flow forecasts prepared by the directors these measures would allow the company to meet its commitments as they fall due and to continue its operations for the foreseeable future and therefore these accounts have been prepared on the going concern basis.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Revenue in respect of diagnostic testing is recognised on completion of the relevant tests.

1.4 Intangible fixed assets

Intangible fixed assets comprise of trademarks, acquired patents and know-how directly relating to current research projects. These are recorded at cost on the date of purchase. The purchase of intangible fixed assets can be for consideration other than cash, in which event cost is calculated by reference to the market value of the non-cash consideration.

Intangibles are amortised in equal installments over their anticipated economic working life of seven years, subject to reviews for impairment.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- Between three and five years
---------------------	--------------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

1.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

1.10 Leased assets

Annual rental costs of operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

1.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.13 Consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 399 of the Companies Act 2006 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

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. Although these estimates are management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The directors do not consider there to be any significant estimates or judgements

3. Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 13.8% (2015 - 28.9%)

4. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Research & development charged as an expense	611,307	435,284
Depreciation of tangible fixed assets	14,438	9,440
Amortisation of intangible assets, including goodwill	30,936	38,494
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,450	7,380
Exchange differences	2,573	2,162
Operating lease expense	65,919	24,142

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	397,326	458,856
Social security costs	38,279	36,845
Cost of defined contribution scheme	15,423	-
	<u>451,028</u>	<u>495,701</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administration	7	6
Research and Development	6	5
Diagnostic Testing	1	1
	<u>14</u>	<u>12</u>

6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	182,333	203,696
Company contributions to defined contribution pension schemes	15,423	-
Share options issued in lieu of salary	-	61,000
	<u>197,756</u>	<u>264,696</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £110,251 (2015 - £108,197).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,423 (2015 - £Nil).

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(75,927)	(50,222)
Adjustments in respect of previous periods	-	4,721
Total current tax	<u>(75,927)</u>	<u>(45,501)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(539,293)</u>	<u>(420,189)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(107,859)	(88,240)
Effects of:		
Income/expenses not deductible for tax purposes	1,870	12,822
Adjustments to tax charge in respect of prior periods	-	4,721
R&D enhancement relief	(66,091)	(40,412)
Losses surrendered for R&D tax credit	28,800	22,515
Change in deferred tax rate	154,358	2,053
Deferred tax not recognised	(87,005)	41,040
Total tax charge for the year	<u>(75,927)</u>	<u>(45,501)</u>

Factors that may affect future tax charges

There are tax losses available for carry forward against future trading profits of approximately £6,082,000 (2015: £5,724,000). A deferred tax asset in respect of these losses of approximately £1,094,000 (2015: £1,145,000) and in respect of other timing differences of £304,000 (2015: £331,000) has not been recognised in the accounts as the full utilisation of these losses in the foreseeable future is uncertain.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

8. Intangible assets

	Other intangible assets £
Cost	
At 1 April 2015	396,451
Additions	38,106
	<hr/>
At 31 March 2016	434,557
	<hr/>
Amortisation	
At 1 April 2015	305,227
Charge for the year	30,936
	<hr/>
At 31 March 2016	336,163
	<hr/>
Net book value	
At 31 March 2016	98,394
	<hr/> <hr/>
At 31 March 2015	91,224
	<hr/> <hr/>

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

9. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 April 2015	151,865
Additions	38,157
At 31 March 2016	<u>190,022</u>
Depreciation	
At 1 April 2015	108,087
Provided for the year	14,438
At 31 March 2016	<u>122,525</u>
Net book value	
At 31 March 2016	<u>67,497</u>
At 31 March 2015	<u>43,778</u>

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015 and 31 March 2016	102

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Convention Associates Limited	UK	Ordinary	100 %	Dormant
iQUR Diagnostics Limited	UK	Ordinary	100 %	Dormant
iQUR Therapeutics Limited	UK	Ordinary	100 %	Dormant
iQUR Services Limited	UK	Ordinary	100 %	Dormant

11. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	38,541	31,792
Other debtors	32,102	19,010
Prepayments and accrued income	99,563	30,699
Tax recoverable	91,520	72,451
	261,726	153,952

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	30,149	13,633
Taxation and social security	13,083	13,507
Accruals and deferred income	57,403	59,078
	100,635	86,218

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	<u>497,827</u>	<u>513,573</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(87,552)</u>	<u>(72,711)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

14. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2,144,447 (2015 - 1,865,900) Ordinary Shares shares of £0.01 each	<u>21,444</u>	<u>18,659</u>

In April 2015 278,511 ordinary shares of £0.01 were issued at £2 per share.

Share Options

Share options of 291,374 (2015: 296,554) exist at year end and have been accounted for under FRS 20.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

15. Share based payments

The following options are within the scope of FRS 20 'Share-based payments'. All of these options are capable of being exercised once vested. All options must be exercised at the latest within ten years of the date of grant.

In August 2005 the Company granted options over 2,970 ordinary shares of £0.01 at an exercise price of £27.27 per share. These options have lapsed in the year ending 31 March 2016.

In October 2005 Bruce Campbell was granted options over 2,210 ordinary shares of £0.01 at an exercise price of £62.47 per share. These options have lapsed in the year ending 31 March 2016.

In June 2007 Brenda Reynolds was granted options over 2,210 ordinary shares of £0.01 at an exercise price of £92.00 per share.

In July 2007 Jack Boyer was granted options over 1,819 ordinary shares of £0.01 at an exercise price of £27.27 per share.

In September 2007 the Company granted options over 2,210 ordinary shares of £0.01 at an exercise price of £92.00 per share.

In September 2007 the Company granted options over 450 ordinary shares of £0.01 at an exercise price of £30.00 per share.

In October 2007 the Company granted options to its employees over 13,454 ordinary shares of £0.01 at an exercise price of £30.00 per share. Of these 300 have lapsed.

In December 2007 the Company granted options over 2,412 ordinary shares of £0.01 at an exercise price of £30.00 per share.

In January 2008 William Rosenberg was granted options over 10,875 ordinary shares of £0.01 at an exercise price of £62.47 per share.

In June 2008 the Company granted options over 400 ordinary shares of £0.01 at an exercise price of £30.00 per share.

In October 2009 Brenda Reynolds and Bruce Campbell were each granted options over 100 ordinary shares of £0.01, and William Rosenberg was granted options over 750 ordinary shares of £0.01 at an exercise price of £1.

In November 2010 the Company granted options over 200 ordinary shares of £0.01 at an exercise price of £30.00 per share.

In July 2009 John Tite was granted options over 2,210 ordinary shares of £0.01 at an exercise price of £92.00 per share.

In October 2009 Jack Boyer was granted options over 484 ordinary shares of £0.01; 184 were at an exercise price of £27.27 and the exercise price of the remainder is £1.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

Share based payments (continued)

In March 2012 Mike Whelen was granted options over ordinary shares of £0.01 in lieu of salary equal to £10,000, John Tite and Brenda Reynolds were each granted options equal to £12,500, Jack Boyer was granted options equal to £37,000 and William Rosenberg was granted options equal to £60,000. The exercise price of these options is £1.

In February 2013 John Tite and Brenda Reynolds were each granted options over ordinary shares of £0.01 in lieu of salary equal to £6,250, Jack Boyer was granted options equal to £18,500 and William Rosenberg was granted options equal to £30,000. The exercise price of these options is £1.

In August 2013 John Tite and Brenda Reynolds were each granted options over ordinary shares of £0.01 in lieu of salary equal to £6,250 and Jack Boyer was granted options equal to £18,500. The exercise price of these options is £1.

In September 2013 William Rosenberg was granted options equal to £30,000 over ordinary shares of £0.01 in lieu of salary. The exercise price of these options is £1.

	Weighted average exercise price (pence) 2016	Number 2016	Weighted average exercise price (pence) 2015	Number 2015
Outstanding at the beginning of the year	784	296,554	989	239,610
Granted during the year		-	1	61,000
Exercised during the year		-	1	(100)
Expired during the year	4,229	(5,180)	2727	(3,956)
Outstanding at the end of the year	722	291,374	784	296,554

The exercise price of options outstanding at the end of the year ranged between £1 and £92 (2015 - £1 and £92) and their weighted average contractual life was 5.9 years (2015 - 6.9 years).

The options granted in August and September 2013 were valued at the salary foregone.

iQur Ltd

Notes to the Financial Statements For the Year Ended 31 March 2016

16. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	<u>5,018</u>	<u>4,607</u>

This commitment represents the amount payable under the one month notice that must be given to cancel the lease

17. Related party transactions

During the year ended 31 March 2016 the company were charged fees and expenses of £4,107 (2015: £15,351) for the provision of business consultancy services by IP Group Plc. At the balance sheet date the amount unpaid in respect of these costs was £Nil (2015: £Nil). IP Group Plc has an interest in the company.

During the year ended 31 March 2016 the Company incurred costs of £32,365 (2015: £5,121) with the University of Leeds and its associated companies in connection with research and development activities. At the balance sheet date the amount unpaid in respect of these costs was £Nil (2015: £Nil). The University of Leeds has an interest in the Company.

During the year ended 31 March 2016 the Company incurred costs of £5,750 (2015: £3,000) with Pannier Consulting Limited for consulting services, which is a related party by virtue of Dr John Tite being a common director. At the balance sheet date the amount unpaid in respect of these costs was £Nil (2015: £Nil).

During the year ended 31 March 2016 the Company incurred costs of £14,208 (2015: £Nil) with Iceblack Limited for consulting services, which is a related party by virtue of Dr David Bruce Campbell being a common director. At the balance sheet date the amount unpaid in respect of these costs was £Nil (2015: £Nil).

Key management personnel are considered to be the directors. The total compensation paid to key management personnel for services provided to the company was £197,796 (2015: £264,696)

18. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.