TEKCAPITAL®

ANNUAL REPORT & ACCOUNTS

2018

Richard Sherman, American football star and brand ambassador for Tekcapital's portfolio company Lucyd ltd.

Tekcapital PLC
Registration #: 08873361
Stock Code: TEK

Risk Factors and Forward Looking Statements

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TEKCAPITAL

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CONTENT

TEKCAPITAL COMMERCIALISES UNIVERSITY IP AND PROVIDES IP SERVICES TO UNIVERSITIES AND CORPORATES

Tekcapital Group's goal is to create value from its ability to identify, acquire and commercialise promising new university IP. Additionally, to assist our clients, keep our finger on the pulse of new discoveries and reduce operating costs, we provide technology transfer investment services to companies and universities worldwide.

Using our proprietary global university network, we provide services to universities and companies to help them commercialize their innovations. Over the past three years, using these services, we have built a compelling group of portfolio companies to commercialize high value properties we have uncovered.

We believe that when you couple commercialization ready, compelling university IP with strong senior management, vibrant companies will emerge, returns on invested capital will outperform the sector and exits will occur faster. When we realise exits the Group's goal is to distribute the majority of proceeds as a special dividend to our shareholders.

INVESTMENT CASE

WORLD'S LARGEST
NETWORK OF UNIVERSITY IP

4,500 UNIVERSITIES

SOLID, MULTI-SECTOR DUE DILIGENCE
CAPABILITY

60 SCIENTISTS

NUMBER OF INDUSTRY LEADERS
RECRUITED BY PORTFOLIO COMPANIES

8 INDUSTRY LEADERS

NUMBER OF PORTFOLIO COMPANIES
ADDRESSING $1B+ MARKETS

4 PORTFOLIO COMPANIES

Total revenue including fair value gains $6.8m

Profit after tax

$4.6m

Net assets

$16.1m

Compound Annual Growth Rate of Net Assets

75%

Return on Assets (ROA)

33%

Return on invested capital (ROIC)*

30%

*Since floatation in 2014

% of costs covered by service revenues

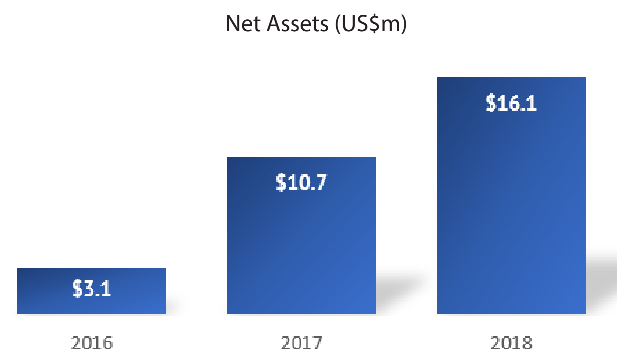
46%

KEY HIGHLIGHTS

FINANCIAL

Our investment objective is to achieve long-term growth of net assets and returns on invested capital through the commercialisation of university discoveries. 2018 was the best year for value creation in the Group's short history:

- Net Assets increased 51% to US$16.13m, a record level (2017: US$10.68m)
- Net Assets per share $0.30 (2017: $0.25)
- Total revenue US$6.83m (2017: US$7.26m)
  - Revenue from services increased 28% to US$1.04m (2017: US$0.81m)
  - Net increase of US$5.79m in fair value of portfolio companies (2017: US$6.08m)
- Reduction of operating expenses by 29% to $1.72m (2017: US$2.42m) Service revenues cover ~46% of current cost base
- Profit before tax: $4.55m (2017: $4.15m)
- Placing to raise US$1.16m completed in October 2018



INVESTMENT PORTFOLIO

97.5% ownership

- Completed successful test production of its patented salt crystals
- Strengthened the board with the addition of industry experts with relevant experience including Eduardo Souchon a former brand manager from Pringles®, and Steve McCready, the former director of product development at Albertsons a leading $60b supermarket chain
- Appointed Victor H. Manzanilla as its CEO. Previously Victor served as marketing director for Office Depot® and home care marketing innovation manager and brand manager at Procter & Gamble
- Post end of period appointed Javier Contreras as COO to further its commercialization efforts. Javier has significant experience in developing supply chains with Clorox and other companies
- Conducted focus group testing of consumer packaging
- On track for product launch of low sodium salt and snacks in Q4 2019

Salarius

www.salarius.co

lucyd®
upgrade your eyewear

www.lucyd.co

100% ownership

- Launched its online shop for high-tech and fashionable eyewear
- Launched sales of Lucyd Loud audio glasses, proper prescription glasses that can be used to listen to music, answer your mobile phone or talk to Siri®
- Launched Turbo Flex, a line of nearly indestructible frames and a range of designer eyeglasses
- Post end of period appointed Richard Sherman, an American football star, as its Chief Brand Officer and brand ambassador. The company is planning to launch the Richard Sherman sunglass line in Q3 2019
- On track to launch Lucyd Loud 2.0 in 10 designer styles in Q2 2019
- Launched global affiliate and reseller program
- Filed a patent application for enhancing Lucyd Loud with a smart watch display

PORTFOLIO COMPANIES

TEKCAPITAL®

guident

www.guident.co

100% ownership

- Acquired exclusive licence to U.S. patent #9,429,943 from Florida A&M. Patent enables the development of software apps for controlling autonomous vehicles using AI
- Appointed Harald Braun as its Chairman. Mr. Braun has served as CEO of Siemens Networks USA amongst other relevant executive roles
- Post end of period appointed Johan De Nysschen and Daniel Grossman as directors. Mr. De Nysschen recently served as Executive Vice President of General Motors and President of Cadillac Division. Daniel Grossman helped create General Motors' mobility division, "Maven", and led all operations as COO, was a Vice President at Zipcar, which was subsequently sold to Avis Budget for ~$500m

belluscura

www.belluscura.com

29% ownership

- Continued progress with its unique and patented portable oxygen concentrator (POC) programme.
- Added Dr. Paul Bray as Vice President of Operations (previously at St. Jude Medical)
- Belluscura seeks to receive 510(K) clearance from the US FDA in Q3 2019
- The POC market is currently valued at US$1.4b per year .
- Post end of period, Belluscura filed an additional patent application entitled "Im proved Extracorporeal Membrane Oxygenation Device, System and Related Methods," which involves incorporating and expanding their existing oxygen enrichment patent portfolio into an innovative, next generation portable artificial lung and a novel wound care treatment device.

CORPORATE

- Continued growth of technology transfer services. Added two new services, technology commercialization training and a new Invention Evaluator report customized for startups:
    - Invention Evaluator has developed a new report at the request of StartUp Chile, the leading start-up accelerator in Latin America. Start-Up Chile supports several hundred companies a year, and these reports will assist their start-up companies on an ongoing basis.
    - Successfully developed and delivered an advanced technology commercialization programme in Santiago, Chile with HUB APTA and the Chilean Biotechnology Association. This programme provided training services, Invention Evaluator reports and our software apps to our Chilean customers. The programme included participants from 13 Chilean research universities and two other research institutions. The sponsor of this unique programme was the Chilean government Agency CORFO, the main Chilean agency focused on entrepreneurship, innovation and competitiveness. University training programmes represent a new line of service business for Tekcapital, and we are optimistic about delivering more of them in future periods.
- Appointed Michael Rosen as Managing Director of Academic Training to accelerate growth in the LATAM market. Mr. Rosen has worked with leading research universities, and held senior management positions with Pfizer, Bristol-Myers Squibb and Searle/Monsanto.
- Appointed Eduardo Giacomazzi as business development advisor in Brazil. Eduardo was the founder and director of the Brazilian Biotechnology Association and co-author of Brazil Biotech map.

"I'M DELIGHTED TO REPORT THAT THROUGH THE COLLECTIVE EFFORTS OF OUR DEDICATED AND CAPABLE TEAM WE HAVE ACHIEVED RECORD NET ASSETS IN 2018."

DR CLIFFORD M. GROSS

Q&A WITH OUR EXECUTIVE CHAIRMAN

Q: What do you consider the most important milestone reached by Tekcapital Group this year?

A: The advancement of our portfolio companies, Belluscura, Lucyd, Salarius and Guident coupled with improved service revenues has taken the Company to a new level of financial performance.

Q: What makes Tekcapital a better investment case than comparable companies in the IP sector?

A: By having the largest university IP sourcing network and the largest scientific advisory board to screen these properties, we believe we are better positioned in the difficult business of picking early-stage winners. In addition, by providing technology transfer services to other companies and universities, we are able to keep our finger on the pulse of new innovation globally whilst covering about 46% of our costs.

Q: How was Tekcapital able to attract so much high caliber talent in 2018?

A: I think Victor Hugo said it best, "Nothing is more powerful than an idea whose time has come."

Q: What risks do you see in the IP industry related to Tekcapital?

A: The single biggest risk is the availability of patient capital in the UK to nurture and commercialise the disruptive university technologies we are able to acquire.

Q: What are the main goals for the Group when it comes to portfolio companies but also the tech-transfer service side of the business?

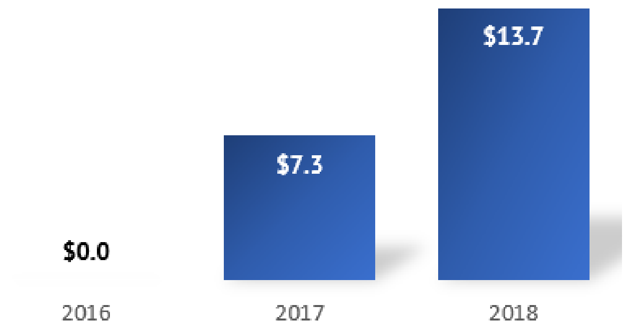
A: Our main investment focus is to select and commercialise technologies in our portfolio companies that can be disruptive in their markets by reducing costs and improving the quality of life of our customers. When we realise exits the Group's goal is to distribute the majority of proceeds as a special dividend to our shareholders. Simultaneously, we strive to grow our service revenues, so that over time they will cover our day-to-day operating expenses, freeing up more capital for investment.

TEKCAPITAL AT A GLANCE

Tekcapital has built the largest university IP network in the world, coupled with a high-caliber team responsible for market-ready technology selection. The Group provides universities and corporate clients with a wide range of technology transfer services while simultaneously selecting compelling technologies for its own portfolio, for subsequent commercialization. We believe this unique combination provides a competitive advantage in the sector, as we both use and sell our IP investment services. This keeps us close to our technology suppliers and allows the company to reduce its operating expenses.

TEKCAPITAL'S FORMULA OF MARKET READY IP COMBINED WITH LEADING TALENT POSITIONS THE GROUP FOR LONG-TERM GROWTH AND INCREASES THE PROBABILITY OF MEANINGFUL EXITS

Value of investment portfolio (US$m)



WORLD'S LARGEST NETWORK OF UNIVERSITY IP. WE CAPTURE APPROXIMATELY 80% OF WORLD'S UNIVERSITY-DEVELOPED IP FROM 4,500 RESEARCH INSTITUTIONS ACROSS 160 COUNTRIES

STRATEGIC REPORT

Chairman's Summary

Tekcapital brings innovations from lab to market. In 2018, several of our portfolio companies have made significant progress and we have almost doubled the value of our holdings. We have also grown our service revenues by 28%, including portfolio company management fees and R&D related tax credits, with storied clients like General Electric and a wide variety of research institutions. As a result, our profits and net assets ended the year at record levels.

Key Portfolio companies

Using our proprietary global university network, we provide services to universities and companies to help them commercialize their innovations. Over the past three years, using these services, we have built a compelling group of portfolio companies to commercialize high value properties we have uncovered. We believe that when you couple commercialization ready, compelling university IP with strong senior management, vibrant companies will emerge, net assets will grow, returns on invested capital will outperform the sector and exits will occur faster. When we realise exits the Group's goal is to distribute majority of proceeds as a special dividend to our shareholders.

Salarius is a food tech business that owns a patented process to produce what are probably the world's smallest edible salt crystals. These small crystals dissolve faster on the tongue, so you need to use less salt, while still having that salty taste consumer's love. Less salt means about 50% less sodium. Less sodium means a reduced likelihood of developing heart disease, the world's number one killer. Post-period, Salarius has added additional senior management with Fortune 500 company manufacturing experience, and is expected to launch pilot production of Salarius salt by Q2 and begin selling Salarius salt and snacks in Q4. According to Future Market Insights[1], the low sodium ingredient market is estimated to reach US$1.76bn by 2025. ***Tekcapital owns 97.5% of Salarius***.

Lucyd has built a new, online eyeglass business that combines technology with traditional eyewear. Recently they introduced Lucyd Loud 1.0 their first proper prescription glasses that you can use to answer your phone, listen to music and talk with Siri®. The product has been well received and the company is focused on launching Lucyd Loud 2.0 in Q2 with a range of fashion forward designs. Post end of period they engaged Richard Sherman, the American football star as a brand ambassador, and will introduce a line of athletic sunglasses that he will help curate in Q3. According to Statista[2], the current online market for eyewear is $3.8b per year. ***Tekcapital owns 100% of Lucyd.***

Guident owns an exclusive licence to a patented technology that enables the development of software apps for controlling autonomous vehicles. Guident has engaged Harald Braun as its Chairman. Harald was CEO of Siemens Networks USA. Post end of period they have added Johan De Nysschen to their board, the former executive VP of General Motors and president of the Cadillac Motor division. Additionally, they have also added Daniel Grossman as a director. Dan helped create General Motors' mobility division, "Maven", and led all operations as COO, and was a Vice President at Zipcar, where he helped pioneer the brand globally. Previously Dan was CEO of Chariot. Guident plans to launch the company website in Q1 and their out-licensing program in Q2 2019. According to Statista, the US market for Autonomous vehicles is projected to reach $6 billion by 2025[3].

2018

FINANCIAL PERFORMANCE

2018 was the best year for value creation in the Group's short history. A 51% increase in net assets fueled by an 88% increase of the NAV of its portfolio companies was further aided by a 28% increase in service revenue. The Group was able to accomplish this whilst simultaneously reducing its cost-of-sales by 19% and administrative costs by 29%. The Group has now demonstrated two consecutive years of growth in Net Assets and service revenue.

Due to the quickening pace of innovation, patented, exgenously developed university technologies are a valuable currency. As a result, we continue to believe that the market opportunity for the Group is both large and should continue to grow apace in lock-step with our portfolio companies.

1- https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market
2- https://www.statista.com/outlook/12000000/109/eyewear/united-states#market-onlineRevenueShare
3- https://www.statista.com/statistics/428692/projected-size-of-global-autonomous-vehicle-market-by-vehicle-type/

Tekcapital owns 100% of Guident.

Belluscura has developed an improved portable oxygen concentrator to provide on-the-go supplemental O_2. We believe that their patented device will be smaller, lighter and quieter then competitive products and will have a replaceable filter cartridge that will allow the user to upgrade the unit as their disease progresses. Belluscura anticipates they will receive FDA clearance for their device and begin sales in late 2019. Post end of period, Belluscura, in conjunction with its exclusive research partner Separation Design Group, has expanded its oxygen therapy technology with the filing of a patent application covering oxygen enrichment inventions relating to a portable artificial lung and wound care devices. The latest patent application, entitled "Improved Extracorporeal Membrane Oxygenation Device, System and Related Methods," involves incorporating and expanding their existing oxygen enrichment patent portfolio into an innovative, next generation portable artificial lung and a novel wound care treatment device. According to Global Market Insights, the medical portable O2 market is currently $1.4bn a year and growing by more than $100m/year[1] . Upon receipt of clearance from the FDA, the Directors believe that Belluscura's value should significantly increase. ***Tekcapital owns 29% of Belluscura.***

In 2018 we closed three portfolio companies that we did not think could create value for TEK shareholders, allowing capital to be allocated to projects with higher potential returns.

Corporate

In 2018 we continued with the expansion of Invention Evaluator® and other services into Latin America. We also added two new services, technology commercialization training and an Invention Evaluator report customized for startups. Currently, approximately 46% of our expenses, including cost of sales, are now covered by our service revenue. Our goal over the next few years is to have all of our operating costs covered by our service revenues. To help achieve this we have expanded our business development team. We appointed Michael Rosen as Managing Director of Academic Training to accelerate growth in the LATAM market. Mr. Rosen worked with leading research universities, and held senior management positions with Pfizer, Bristol-Myers Squibb and Searle/Monsanto. Additionally, we added Eduardo Giacomazzi as business development advisor in Brazil. Eduardo was the founder and director of the Brazilian Biotechnology Association and co-author of Brazil Biotech map.

Current Trading and Outlook

Having continued to develop and expand Tekcapital's existing business, the Board is confident that continued investment in our portfolio companies remains the right strategy. Additionally, we are also exploring a new potential investment in cannabidiol intellectual properties to address the current market demand. Further, we are executing on our strategy and this should result in increases in returns on invested capital as our portfolio companies continue to grow. Whilst it is clear that the Company is progressing well, we anticipate fluctuations in our net asset values from period to period due to individual portfolio company performance, valuations and changes in market conditions and macro-economic financial conditions. We are grateful for the patience and support of our shareholders. We are also sincerely appreciative of our dedicated, creative and hardworking team without which, none of the results reported herein would be possible. In the spirit of Helen Keller who said "Alone we can do so little; together we can do so much,[2]" I would like to commend the terrific contributions of the following individuals: Eric Cohen, Melissa Cruz, Konrad Dabrowski, Harrison Gross, Max Inglis, Maria Kowalski, Selwyn Lloyd, Michael Manion, Michael Rosen and Amy Shim.

Dr Clifford M Gross
Executive Chairman
13 March 2019

[1] https://www.gminsights.com/industry-analysis/medical-oxygen-concentrators-market-report

[2] https://www.amazon.com/Helen-Teacher-Story-Keller-Sullivan/dp/0891282343

THE IP MARKET

Historical Foundation of the market

"Intellectual property (IP) has been very important to the UK for a long time. The first trademark legislation was passed by the English Parliament in 1266. The UK was at the forefront of developing patent rights and the first to codify copyright law with the Statute of Anne in 1710. It has made good use of these IP rights ever since they were brought into being."

Baroness Neville-Rolfe
Former Minister for Intellectual Property, Department for Business, Energy and Industrial Strategy, U.K.[1]

Current market challenges and opportunities

The world has become smaller and the pace of innovation is quickening. As such, we have expanded our footprint to include IP not only from universities in the UK but from all member states of the World Intellectual Property Organization. This university idea factory is pumping on all cylinders and creating innovations in every area of science, technology and medicine. However, without the access to patient capital and experienced management, most of these innovations will lie fallow. Tekcapital's approach is to carefully select high-value innovations that are ready for market, and nurture them with experienced management, often from Fortune 500 companies, as this mitigates go-to-market risk. To-date, we believe our early results have shown great promise. Overall, about 30% of the value of the world's products comes from intellectual capital, which is almost twice the contribution from tangible capital. Utilizing new IP and brainpower is exactly how a company like Uber can become more valuable, in a short period, than most of the major automobile companies combined.

According to the Association of University Technology Managers (AUTM)[2] in the U.S. in 2017, 1,080 university spin-outs were formed … and more than $3 billion in licensing revenue were reported, the highest annual amount so far. Approximately 70% of university innovations are commercialized through university spinouts. This is a dramatic change in the tech-transfer industry, where just a few years ago, only about 10% of university innovations were licensed through spinout companies. We believe that this change has resulted primarily from two factors; the availability of low-cost capital due to historically low interest rates and the preference of large companies to consummate acquisitions of early-stage companies that have de-risked new technologies and could deliver a more meaningful financial impact.

Perhaps the best example to-date is Google.

"In 1996, Stanford University graduate students Larry Page and Sergey Brin created PageRank, which led to a new search engine called Google. After Google incorporated in 1998, Stanford licensed the PageRank algorithm to the new start-up. In just two years, Google became the world's largest search engine, with more than 1 billion webpage addresses in its index. The company completed an IPO in 2004."[3]

Tekcapital is keenly focused of finding and commercializing university discoveries for its own portfolio as well as for its clients. We believe the future is extremely bright for our business, because many of the greatest discoveries are from the world's research institutions, to which we have unfettered access. Efficiently harvesting these discoveries is our passion. Of course, not every portfolio company will win or even survive, but this doesn't deter us, as we don't define ourselves by our failures but rather the few successes that can meaningfully contribute to improving the quality of life, whilst creating value for our shareholders.

"The Invention Evaluator tool has helped us to make decisions with a greater degree of certainty of the path that our technology should follow." Jorge Darlas Ejecutivo de Transferencia de Tecnología y Licenciamiento, Concepción, Chile

CIPA
Centro de Investigación de Polímeros Avanzados

"Their analysis of our IP has been very useful to provide a clear vision of our technologies." Daniela Fuentes, Directora, Dirección de Innovación y Transferencia Tecnológica, Vicerrectoría de Investigación, Santiago, Chile

UNIVERSIDAD MAYOR

SOURCES
[1]WIPO Magazine (2016) Geneva
[2]AUTM US Licensing Activity Survey: 2017
[3]WIPO World Intellectual Property Report 2017: Intangible capital in global value chains. Geneva

OUR SERVICES

Commercializing university innovations is challenging and requires well-honed skills and specialized tools to be successful and scalable. According to the Association of University Technology Managers (AUTM) less than 1% of university patents generated revenues of > $1m[1] in 2017. This indicates that to be successful in the space it is necessary to mitigate selection bias, conduct detailed and thorough due diligence, assess the market potential properly and recruit commercialization executives with significant experience. Tekcapital's services have been built to address each of these points. Our global discovery network covers 4,500 institutions in 160 countries, and our search app makes it easy to identify IP, our 60 scientists are experts in their respective disciplines for hands-on due diligence, our invention evaluator reports are the industry standard for assessing market potential of university IP and more than 5,000 have been delivered to institutions worldwide, and our in house recruiter Vortechs Group is a recognized leader in recruiting tech-transfer executives. We use these services to both help our clients and to enhance our returns on invested capital for our portfolio companies.

INVENTION EVALUATOR

Rapid, objective reports that assess the market potential of any new technology. Combines human analysts with unique research algorithms.

IP SEARCH APP

Global University IP search app. Instantly search and index worldwide university PCT applications and patents on your smartphone.

IP ACQUISITION OPPORTUNITIES

Acquire disruptive, curated university IP that's ready for market, directly from our portfolio.

VORTECHS GROUP

Executive Recruiting Firm Specializing In Technology Transfer executives.

TEK TRAINING

Custom solutions for building new tech transfer offices, spin out companies, and accelerators. For tech transfer specialists, research centers and government

SOURCES

[1] AUTM US Licensing Activity Survey: 2017

WHAT OUR CLIENTS AND THE PRESS SAY

"What you do is disruptively high quality at a value no one else has been able to touch." Jeff Amerine

"We would recommend Invention Evaluator reports to any organization looking to commercialize technologies, especially for technologies outside of the core expertise of the office. The benefit to value ratio is very high, the reports are thorough, timely and in a format that is easy to understand and share with investors." Lisa Lorenzen

"As a portfolio management tool for busy technology transfer office, Invention Evaluator makes great sense." Rohan McDougall, Curtin University of Technology

"In a few short weeks, the Vortechs Group presented us with more and better qualified candidates than we were able to find on our own in the previous six months of searching. Thanks to their expertise, we were able to find and hire the one-of-a-kind candidate we were looking for to lead our Technology Transfer efforts"

Tekcapital helps companies of all sizes find and acquire university discoveries to create market value. We have found their offering to be well received by our listed companies that have tried their service. Paul Dorfman, Managing Director

"Drew Hendricks- "Tekcapital released an app earlier this year that allows users to search for IP from their smartphones. This is a good way to get a feel for what is out there, identify technology you may want, and get your creative wheels spinning."

"Invention Evaluator provides an extremely cost effective way to screen through technologies to see which ones fit our criteria." Dr. Craig Patch

"We have had a great experience with the results of the studies we requested." "Hemos tenido una muy Buena experiencia con los resultados de los estudios que hemos solicitado" Patricia Anguita

"Invention Evaluator is very responsive to our needs, delivering our reports in a timely manner" Dr. Fiona Cameron, University of Western Sidney

"With their technology transfer recruiting expertise, The Vortechs Group contributed to our process of finding candidates whom we otherwise might never have seen, ultimately leading to a successful hire. It was a pleasure partnering with The Vortechs Group and I recommend their services to organizations seeking technology transfer and related positions."

Julian Mitchell- "In addition to a growing portfolio of university IP (UIP) investments, Tekcapital helps research institutions and businesses develop disruptive technologies and expand their portfolios of intellectual capital through leveraging their suite of powerful and convenient technology transfer services."

Nick Hastreiter, "An entrepreneur who wants to benefit from UIP would traditionally have to network with individual universities, making relationships with their Technology Transfer Offices. But today entrepreneurs and international organizations facilitate a near frictionless system of access to that wealth of innovation."

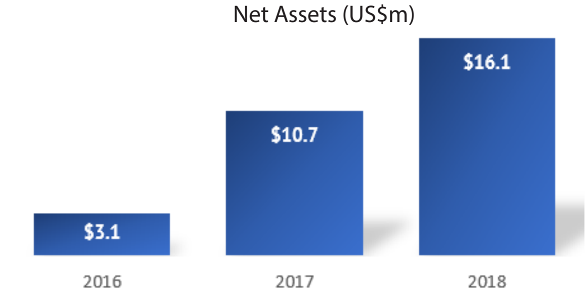
FINANCIAL REVIEW & KEY PERFORMANCE INDICATORS

THE KEY PERFORMANCE INDICATORS (KPI) FOR THE GROUP

The Key Performance Indicators (KPIs) listed below represent those that are typically applied to companies that seek to commercialise university technologies and serve as a starting point for evaluating the Group's performance:

KPI	DESCRIPTION	2018 PERFORMANCE	2017 PERFORMANCE
FAIR VALUE OF THE PORTFOLIO	Updated value of portfolio companies using costs, independent valuations or observed third party investments	$13.7m	$7.3m
TOTAL REVENUE	Service revenue plus change in fair value of portfolio	$6.8m	$7.3m
PROFIT	After tax profit	$4.6m	$4.2m
NET ASSETS PER SHARE	Total assets minus total liabilities per share	$0.30	$0.25
ROIC	Returns on invested capital since flotation in 2014	30%	47%

Net Assets (US$m)

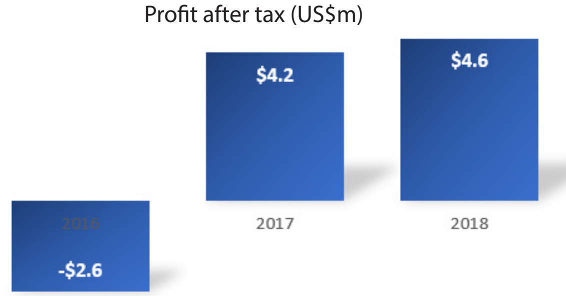


Three out of five of our Key Performance Indicators showed improvement in 2018. The Group has now demonstrated two consecutive years of growth in Net Assets and Net Assets per share.

The Group's cash position at the end of the period is US$1,165,442 with modest liabilities as costs have been settled without delay using available funds. The Group had no debt as of 30 November 2018.

The Group' has also demonstrated consistent growth in revenue from services. The Group was able to achieve this growth while simultaneously reducing its administrative expenses by US$699,714 in 2018.

Profit after tax (US$m)



Directors do not believe there are any material environmental issues that need to be reflected in our KPIs for 2018.

The Group has received a R&D Tax Relief Credit for the total of US$0.1m during the year in connection to following R&D activities:

- The design and development of a unique and first of a kind Innovation Discovery Network solution, developed to facilitate an improved technology search engine
- The Report Builder to develop and test new invention report templates and revamp the invention evaluator bespoke software
- The Invention Evaluator migration and integration with bespoke customer portal.

PORTFOLIO REVIEW

Salarius

PATENTED LOW-SODIUM SALT

- Salarius is taking the lead in the industry bringing the best low-sodium salt solution based on a mechanical transformation of the salt grain itself. This solution is the only one that delivers the exact salt flavor, because it is salt. The technology breaks the salt grains into a size that is one hundred times smaller than a typical grain, delivering a powerful saltiness as the micro-grains dissolve in mouth with appx. 50% less salt consumption.

- Recent successful sample production and independent taste testing indicates Salarius salt delivers all of the flavour with roughly half of the sodium.

- On 22nd May 2018 Salarius announced the addition of Eduardo Souchon (formerly at Pringles) and Steve McCready (formerly at Albertsons) to its board.

- On 1 August 2018, Victor H. Manzanilla appointed as CEO of Salarius. Mr. Manzanilla previously served as Marketing Director of Office Depot an office products chain with approximately 1,400 stores, and Brand Manager at Procter & Gamble. Mr. Manzanilla has purchased 2.5% of the shares of Salarius for $50,000.

The low sodium ingredient market is estimated to reach US$1.76bn by 2025 according to Future Market Insights[1].

Goal: Launch low sodium salt and snacks in Q4 2019.

Tekcapital owns -
97.5% of Salarius Ltd

97.5%

ON 1 AUGUST 2018, SALARIUS LTD APPOINTED VICTOR H. MANZANILLA AS ITS CEO. FORMERLY MARKETING DIRECTOR AT OFFICE DEPOT AND BRAND MANAGER AT PROCTER & GAMBLE

SOURCE

[1] https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market

PORTFOLIO REVIEW

ON 22ND MAY 2018, SALARIUS LTD APPOINTED EDUARDO SOUCHON AS A DIRECTOR. EDUARDO HAS 20 YEARS OF BUSINESS, BRAND AND MARKETING EXPERIENCE FOCUSED ON SNACKS (PRINGLES®), HEALTH PRODUCTS AND OFFICE SUPPLIES IN THE CONSUMER PACKAGED GOODS AND THE RETAIL INDUSTRY (PROCTER & GAMBLE)

ON 22ND MAY 2018, SALARIUS LTD APPOINTED STEVE MCCREADY AS A DIRECTOR. PREVIOUSLY STEVE SERVED AS DIRECTOR OF PRODUCT DEVELOPMENT AT ALBERTSON'S COMPANIES, A LEADING U.S. SUPERMARKET COMPANY WITH MORE THAN $60BN IN SALES AND 2,300

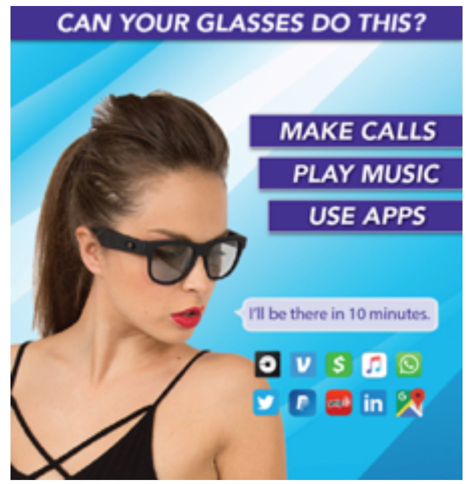
PORTFOLIO REVIEW

lucyd
upgrade your eyewear

LUCYD: THE CLEAR CHOICE FOR TECH EYEWEAR

- Unique value proposition: advanced technology eyewear with Rx combined with an improved online experience, competitive pricing.
- Aug. 2018 Launched an online eShop to provide cutting-edge prescription spectacles. The eShop offers Lucyd Loud a Bluetooth pair of Rx glasses with bone conducting speakers that allows the user to answer their phone, listen to music and speak with Siri®.
- Oct. 2018 Formed first reseller partner ship with a Brazilian optical retailer.
- Nov. 2018 Launched global affiliate & reseller program with over 70 affiliates signed in the first week.
- Dec. 2018 appointed Richard Sherman an American football star, as its Chief Brand Officer and brand ambassador.

Goal: Develop a successful global eShop focused on upgrading your eyewear with advanced technology. The current online market for eyewear is $3.8b according to Statista[1].



Tekcapital owns - 100% of Lucyd ltd

100%

ON 3 DECEMBER 2018 LUCYD LTD APPOINTED RICHARD SHERMAN, AMERICAN FOOTBALL STAR AS CHIEF BRAND OFFICER AND BRAND AMBASSADOR

Photo courtesy of Creative Agency: Zaki Rose, Photographer: Carlos Cruz.

SOURCES

[1] Statista.com - US Eyewear Market, Online Revenue Share

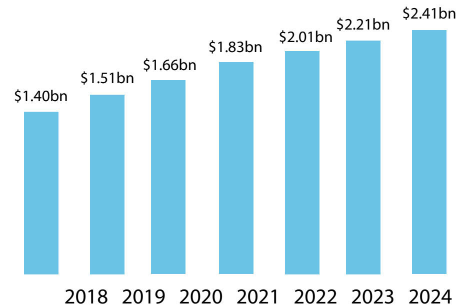
belluscura

PREMIUM MEDICAL DEVICES AT VALUE PRICES

- Unique medical device company that has developed an improved portable oxygen concentrator to provide on-the-go supplemental O_2, EXPLO2R
- Capable & highly experienced management: Bob Rauker, CEO (previously Boston Scientific) & Dr Raymond Bray, VP (previously St. Jude Medical).
- According to Global Market Insights, the medical portable O_2 market is expected to grow from $1.4bn ISN 2018 to $2.4bn by 2024. Largest competitor valued at $4B.

Goal: File 510K with US FDA and receive clearance Q3 2019 for the EXPLO2RE, potentially one of the most advanced portable oxygen concentrators in the world.

The medical portable O_2 market is expected to grow from $1.4bn this year to $2.4bn by 2024[1]



[1] https://www.gminsights.com/industry-analysis/medical-oxygen-concentrators-market-report

Tekcapital owns ~ 29% of Belluscura plc.

29%

EXPLO2RE PORTABLE OXYGEN CONCENTRATOR

Lightest:	Only 1.25kg (2.8lbs)
Most Efficient:	32% more O2 per pound
Quiet:	Only 39 dB
Reliable:	Long battery duration
Modular:	Only expandable POC with consumer replaceable filter cartridges
Low Cost:	Projected 70% cost savings over duration of the disease
Strong IP:	13 patents and applications

PORTFOLIO REVIEW

guident

AUTONOMOUS VEHICLE VALET

- Acquisition of exclusive license to U.S. Patent #9,429,943 from FMAU that enables the development of software apps for controlling autonomous vehicles using artificial intelligence.

- Using this patented technology Guident is enabled to develop apps that allow user's of autonomous vehicles to dispatch their vehicles to join ridesharing fleets, find available parking spots and charging stations and report accidents as well as park themselves.

- On 2nd October, 2018, Guident announced Harald Braun was appointed as its Chairman. Mr. Braun has served as CEO of Siemens Networks USA (NYSE: SI) and Aviat Networks (NASDAQ: AVNW).

- Post period end: On 6th December, 2018, Guident announced that Johan De Nyss chen was appointed as a director. Johan previously served as Executive Vice President of General Motors and President of the Cadillac Motor Division, President of Infiniti Motor Company Ltd, President of Audi of America Inc., and President of Audi Japan, amongst other positions.

- Post period end: On 14th January, 2019, Guident announced that Daniel Grossman was appointed as a director. Daniel is currently CEO of Chariot, the ride sharing company that was acquired by Ford in 2016. Prior to Chariot, Dan helped create General Motors' mobility division, Maven, and led operations as COO, and was a Vice President at Zipcar prior to its sale to Avis.

Goal: Develop and provide apps with licensed technology to autonomous vehicle manufacturers.

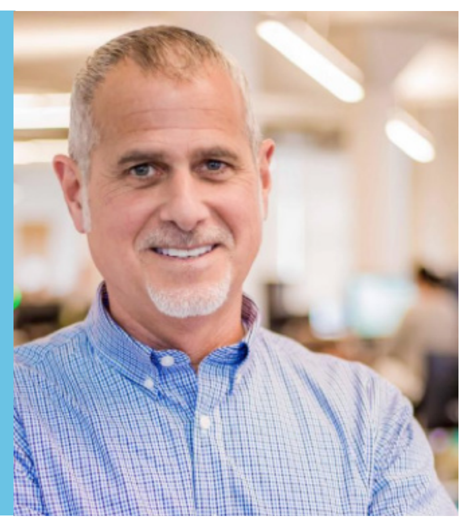
Tekcapital owns -
100% of Guident Ltd

100%

ON 2ND OCTOBER, 2018 GUIDENT LTD APPOINTED HARALD BRAUN AS ITS CHAIRMAN. MR. BRAUN HAS SERVED AS CEO OF SIEMENS NETWORKS USA (NYSE: SI) AND AVIAT NETWORKS (NASDAQ: AVNW). HE SERVED ALSO AS A SENIOR EXECUTIVE AT NOKIA SIEMENS NETWORKS, NORTH AMERICA.

ON 6TH DECEMBER 2018 GUIDENT LTD APPOINTED JOHAN DE NYSSCHEN AS A DIRECTOR. JOHAN PREVIOUSLY SERVED AS EXECUTIVE VICE PRESIDENT OF GENERAL MOTORS AND PRESIDENT OF THE CADILLAC MOTOR DIVISION, PRESIDENT OF INFINITI MOTOR COMPANY LTD, PRESIDENT OF AUDI OF AMERICA INC., AND PRESIDENT OF AUDI JAPAN.

ON 14TH JANUARY, 2019 GUIDENT LTD APPOINTED DANIEL GROSSMAN AS A DIRECTOR. HE MOST RECENTLY SERVED AS CEO OF CHARIOT. PREVIOUSLY, DAN HELPED CREATE GENERAL MOTORS' MOBILITY DIVISION, "MAVEN", AND LED ALL OPERATIONS AS COO, AND WAS A VICE PRESIDENT AT ZIPCAR, WHERE HE HELPED PIONEER THE BRAND GLOBALLY. ZIPCAR WAS SUBSEQUENTLY SOLD TO AVIS-BUDGET FOR ~ $500M.



BOARD OF DIRECTORS

Clifford M Gross, PHD
Chairman and CEO

Cliff is a successful executive with 25 years of leadership experience in academia and commercial enterprises. He is passionate about the development and commercialization of intellectual property to improve the quality of life and create lasting value. Previously, he founded Biomechanics Corp and UTEK where he served as CEO and Chairman and was President and CEO of Innovacorp, the provincial venture capital fund of Nova Scotia. Cliff has served as Acting Director of the graduate program in Biomechanics and Ergonomics at New York University, Chairman of the Nelson Rockefeller Department of Biomechanics at the New York Institute of Technology and Research Professor at the University of South Florida. Recently, he authored Too Good to Fail: Creating Marketplace Value from the World's Brightest Minds and is a named inventor on 19 issued patents. Cliff is a Fellow of the National Academy of Inventors and serves on the board of directors of the State University of New York at Empire State College. He received his Ph.D. from New York University and an MBA from Oxford University.

M J Malcolm Groat
Finance Director

Malcolm has worked for many years as a consultant to companies in technology, natural resources, and general commerce. Following an early career with PwC in London, he held CFO, COO, and CEO roles in established corporations including the construction firm now called Arcadis. Recently he has held several non-executive director or chairman positions and today these include Corps Security, Baronsmead Second Venture Trust, and Golden Saint Technologies. Malcolm is a Fellow of the Institute of Directors, Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce, and Fellow of the Institute of Chartered Accountants in England and Wales. He holds university degrees from St Andrews (MA) and Warwick (MBA).

R W "Bill" Payne
Non Executive Director

Bill Payne is a proven, successful international business leader with over 30 years of executive, non-executive, coaching, mentoring and management experience in both small, entrepreneurial and large company environments and cultures. Has redefined business and technology models whilst driving considerable revenue and profit growth in highly transformational markets. Bill is an NED and NEC, a Venture Capitalist and a visiting Professor of several top business schools, as well as having his own successful executive advisory business. In a 17 year career in IBM his last role was as General Manager and Vice President of IBM's Global Customer Service Division with 52000 staff. He led the disposal of this division to Synnex/Concentrix in 2014. Bill has a Bachelor of Science Honours degree in Chemical Engineering from Leeds University and is a Chartered Engineer, a Euro Engineer and is a Fellow of both the Institution of Chemical Engineers and Royal Society of Arts and Manufacturing.

Robert Miller, MD
Non Executive Director

Robert serves a Vice Chair of the national Mayo Clinic Cancer Center Practice Committee, overseeing cancer care delivery at all of Mayo's national sites, and Medical Director Particle Therapy at Mayo Clinic Florida. He previously served as Vice Chairman of the Board of Trustees of the Mayo Clinic Health System – Albert Lea and Austin. Professor Robert Miller is a physician-executive at the Mayo Clinic, where he has been employed for the last 25 years. He is the author of over 170 peer-reviewed papers. Robert has successfully led a series of national, NIH funded Phase III clinical trials searching for new pharmaceutical solutions to reduce symptoms of cancer therapy. Robert began his scientific career as a medical physicist at the University of Kentucky, before going on to graduate from medical school at the University of Kentucky. Robert also received an MBA from Oxford University. Robert has been appointed Medical Director of the Maryland Proton Treatment Center and Professor at the University of Maryland beginning April 1, 2019.

OFFICERS AND PROFESSIONAL ADVISERS

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EC4A 1JP

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11 – 15 William Road
London NW1 3ER

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Canary Wharf
London
E14 5AH

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12620 Biscayne Blvd
North Miami
FL 33181
USA

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12 New Fetter Lane
London EC4A 1JP

Nominated Adviser and Joint-Broker
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60 New Broad Street
London EC2M 1JJ

Joint-Broker
Novum Securities Limited
8-10 Grosvenor Gardens
Belgravia
London SW1W 0DH

Investor Relations
Yellow Jersey ltd
Top floor, 70-71 Wells St
London W1T 3QE

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2018

TEKCAPITAL®

Directors

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

Clifford M Gross, PhD
M J Malcolm Groat
R W "Bill" Payne
Robert Miller, MD

The Group has chosen to set out in the groups strategic report information required to be contained in the directors' report. It has done so in respect of future developments and research and development activities.

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 Group meets its day to day working capital requirements through its service offerings, bank facilities and monies raised in follow-on offerings. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. Whilst it is the Group's intention to rely on the available cash reserves, future income generated from its growing service offerings and reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as as going concern dependent on an additional fund raise. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through equity issues. After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company therefore contnues to adopt the going concern basis in preparing both its consolidated financial statements and for its own financial statements.

Dividends

No dividend was paid or was proposed during the year ended 30 November 2018.

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 $	Bonus US $	2018 Total US $	2017 Total US $
Clifford M Gross	191,865	15,253	-	**207,118**	370,094
M J Malcolm Groat	16,098	-	-	**16,098**	15,370
Baroness Susan Greenfield	-	-	-	-	74
R W "Bill" Payne	20,122	-	-	**20,122**	19,212
Robert Miller	21,600	-	-	**21,600**	21,600
	249,685	15,253	-	**264,938**	426,350

The Group did not make any contributions to a pension scheme in the year ended 30 November 2018 (2017: Nil).

Directors' beneficial interests in shares

	2018 No of Shares	2017 No of Shares	**2018 No of Options**	2017 No of Options
Clifford M Gross	**8,657,500**	8,657,500	**450,000**	450,000
M J Malcolm Groat	**-**	-	**300,000**	300,000
Baroness Susan Greenfield	**-**	-	**150,000**	150,000
R W "Bill" Payne	**400,000**	400,000	**295,000**	295,000
Robert Miller	**2,664**	2,664	**220,000**	220,000

The details of the options held by each director at 30 November 2018 are as follows:

	No of Options	Exercise Price	Grant Date	Date from which exercisable	Life
Clifford M Gross	450,000	£0.3625	8-Jun-15	Special Conditions*	5 Years
M J Malcolm Groat	200,000	£0.25	31-Mar-14	31-Mar-17	5 Years
	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
R W "Bill" Payne	75,000	£0.25	31-Mar-14	31-Mar-17	5 Years
	120,000	£0.3625	8-Jun-15	Special Conditions*	5 Years
	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
Robert Miller	120,000	£0.4550	10-Nov-15	Special Conditions*	5 Years
	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years

* The options vest in three equal annual instalments from the date of grant and there is a special condition which means the options will vest when the closing price for a share has been traded at more than one pound sterling for ten consecutive trading days.

Principal Risks and Uncertainties

The specific financial risks are discussed in the notes to the financial statements. Other risks are as follows:
- the principal financial risks of the business relate to the value of the Group's portfolio companies. We believe that the fair value of each portfolio company is a time dependent valuation that may be impaired if the business does not achieve it milestones, growth trajectory, product development, capital raises or other key performance metrics. Individually and as a group our portfolio companies have a material impact on our financial performance. This risk of individual portfolio company negative performance may be ameliorated as our portfolio becomes more diverse and increases in value.
- the principal operational risk of the business is management's ability to assist our portfolio companies in achieving their goals and ultimate exits whilst increasing our service revenues.
- the Group is dependent on its executive team and directors for its operations and ultimate success and there can be no assurance that it will be able to retain the services of these key personnel in the future.
- a Brexit also presents potential risks for our business in as much as it may negatively affect investor sentiment towards early stage businesses. Further, until the Group covers all of its operating costs from service revenue and or exits it will seek to raise additional capital to fund operations and follow-on investments in portfolio companies.

Post Balance Sheet Events

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

Independent auditors

H. W. Fisher & Company were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 ought to have taken as a Director in order to make himself 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

13 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Opinion

We have audited the financial statements of Tekcapital Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 November 2018 which comprise:

- the consolidated Statement of Comprehensive Income;
- the consolidated and parent company Statements of Financial Position,
- the consolidated and parent company Statement of Changes in Equity;
- the consolidated Statement of Cash Flows;
- the related notes to the consolidated and parent company financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 November 2018 and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union;
- the parent company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is a significant area of uncertainty, in our opinion the key impact of Brexit upon the Group is likely, but not limited to the impact on the fair value assessments, the foreign exchange risk exposure and the going concern which includes the Group's ability to continue to raise funds. We as auditors are not able to, nor should we be expected to predict the impact the future uncertainties will have on the Company and the Group.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Summary of our audit approach

Context

The parent company continued to recognise Tekcapital Europe Limited and Tekcapital LLC as subsidiaries and has continued to consolidate both entities in the preparing the consolidated financial statements. The other subsidiaries continue to be treated as portfolio investments under IFRS 10, investment entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we identified in the current year were:

- Valuation of unquoted equity investments.
- Going Concern, based on the Group's ability to raise funds.
- Revenue recognition and accuracy of cut off in the period;
- Management override of controls;
- Reliance on Expert

Our application of materiality

The materiality that we used for the consolidated financial statements was $200,000. We determined materiality using 1% of gross assets.

The materiality that we used for the parent company's financial statements was $60,000. We determined materiality using 1% of gross assets.

An overview of the scope of the audit

Area of focus	How our audit addressed the area of focus
Valuation of unquoted equity investments 83% of the Group's total assets (by value) is held in investments where no quoted market price is available. Unquoted Investments are measured at fair value, unlisted investments determinable prices. The valuation techniques used fall under level 2 and level 3 of the fair value hierarchy. This is a key area of estimation and we therefore considered this to be an area of significant audit risk and focus. The Group engages an independent expert valuer for the purpose of determining the fair value of the assets held within the investments to help mitigate this risk.	Our audit work included, but was not restricted to the following: • We reviewed the appropriateness of the Group's disclosures within the financial statements in relation to valuation methodology, key valuation inputs and valuation uncertainty. • We addressed the competency, qualifications, independence and objectivity of the valuer as documented in the key area of focus below. • We re-performed the calculations and in instances where the reliance on the expert was not considered sufficient we assessed the reasonableness of inputs used in the valuation and performed benchmarking. • We performed a review of the valuations sensitivity to the discount rates and other key areas of estimation and reviewed the sensitivity disclosure calculations. • We agreed the inputs in the discounted cash flows used for the royalty relief valuations and the e-shop valuation to the independent reports. • We considered the impact of deferred tax on the fair value gains recognised on the IP held in the investments and considered these amounts within the valuations. • For items which were material but were not fair valued on the investment company's balance sheet we vouched to appropriate audit evidence such as bank statements to support the cash balances or the Crypto wallets to support the crypto currency. • Reconciliation of the fair value movements to the financial statements. • We reviewed the underlying licence agreements on the patents to ensure the ownership / exclusivity. • We assessed the critical accounting judgement disclosure at note 4 to the financial statements in respect of the directors' determination of the Group as an investment entity Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.
Going concern The parent company and subsidiaries are not currently profit generating and are reliant upon their ability to raise funds. The operating profit is a result of the fair value gains on the investments which is unrealised.	Our audit work included, but was not restricted to the following: • We have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 2.2.1 to the financial statements. • We have reviewed the available consolidated financial forecasts of the group in line with the assertions provided throughout the audit to assess their reasonableness. • We have applied sensitivities to the consolidated financial forecasts to review the impact in line with the wording included within the going concern policy and agreed that should there be a negative variance in the forecasts projected the Group will be reliant upon a future fundraise. • We have reviewed the post year end management accounts • We have reviewed the announcements and considered if any items will have a financial impact affecting the going concern • We have reviewed the disclosures at note 3 that describe the financial risks and explain how they are being managed or mitigated. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters. We agreed the director's disclosure of the going concern as disclosed within note 2.1.1 of the financial statements. We did not identify any such material uncertainties, However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Area of focus	How our audit addressed the area of focus
Assessment of revenue recognition There is a presumed risk of misstatement arising from lack of completeness or inaccurate cut-off relating to revenues. Revenue also includes a significant amount of unrealised income from investments held at fair value through profit and loss which is material to the financial statements	Our audit work included, but was not restricted to the following: • We evaluated the sales controls system in place to determine the controls surrounding the income. • We checked a sample of the sales agreements and contracts through to the income recognised in the accounts and invoices. • We also completed checks on deferred and accrued income, no material misstatements were identified in respect of the deferred income not recognised. • We reviewed the revenue recognition accounting policy at note 2.21 of the financial statements to ensure the application was consistent. • We assessed the accounting policy for the fair value gains / losses on the investments measured at fair value to check that gains had been accounted for in accordance with the stated accounting policy. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters
Management override of controls Management is in a unique position to override controls that otherwise appear to be operating effectively.	Our audit work included but was not restricted to the following: • We undertook testing on the companies controls, we extended our audit testing to perform enhanced management override procedures. • We undertook a review to gain an understanding of the overall governance and oversight process surrounding management's review of the financial statements. • We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors. • We reviewed the financial statements and considered whether the accounting policies are appropriate and have been applied consistently. • We undertook a review of the journals posted through the nominal ledger for significant and unusual transactions and investigated them, reviewing and confirming the company valuation of journal entry postings. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our audit report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 13 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2018

Group	Note	Year ended 30 November 2018 US $	Year ended 30 November 2017 US $
Continuing Operations			
Revenue from services	5	**1,040,830**	813,714
Unrealised profit on the revalution of investments	11	**5,792,264**	6,083,225
Profit on derecognition of subsidiaries		-	226,656
Revenue from discontinued operations		-	139,453
Total Revenue		**6,833,094**	7,263,048
Cost of sales		**(559,630)**	(692,610)
Gross Profit		**6,273,464**	6,570,438
Administrative expenses		**(1,717,570)**	(2,417,284)
Operating Profit		**4,555,894**	4,153,154
Gain/(Loss) on ordinary activities before income tax		**4,555,894**	4,153,154
Income tax expense	8	**(1,269)**	(1,406)
Gain after tax for the year		**4,554,625**	4,151,748
Other comprehensive income			
Foreign exchange (loss)/gain		**(135,342)**	424,230
Total other comprehensive (loss)/income		**(135,342)**	424,230
Total comprehensive gain for the year		**4,419,283**	4,575,978
Gain attributable to			
Equity holders of the parent		**4,554,625**	4,487,533
Non-controlling interest		-	(335,785)
		4,554,625	4,151,748
Total Comprehensive Gain attributable to:			
Equity holders of the parent		**4,419,283**	4,808,059
Non-controlling interest		-	(232,081)
		4,419,283	4,575,978
Gain per share			
Basic earnings per share	9	**0.103**	0.108
Diluted earnings per share	9	**0.103**	0.108

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 38 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2018

Group	Note	As at 30 November 2018 US$	As at 30 November 2017 US$
Assets			
Non-current assets			
Intangible assets	12	**838,769**	838,769
Financial assets at fair value through profit and loss	11	**13,704,354**	7,307,696
Convertible Loan Notes	14	**250,000**	-
Property, plant and equipment	13	**33,489**	6,005
		14,826,612	8,152,470
Current assets			
Trade and other receivables	14	**429,373**	963,911
Cash and cash equivalents	15	**1,165,442**	1,797,729
		1,594,815	2,761,640
Total assets		**16,421,427**	10,914,110
Current liabilities			
Trade and other payables	19	**285,957**	237,649
Current income tax liabilities		**500**	500
		286,457	238,149
Total liabilities		**286,457**	238,149
Net Assets		**16,134,970**	10,675,961
Equity attributable to owners of the Parent			
Ordinary shares	17	**326,036**	264,221
Share Premium	17	**10,218,805**	9,271,098
Retained earnings	18	**5,516,655**	931,826
Translation Reserve	18	**145,643**	280,985
Merger Reserve	18	**(72,169)**	(72,169)
Total Equity		**16,134,970**	10,675,961

The notes on pages 38 to 67 are an integral part of these financial statements.

The financial statements on pages 32 to 67 were authorised for issue by the Board of Directors on 13 March 2019 and were signed on its behalf.

M J Malcolm Groat
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number 08873361

COMPANY STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2018

Company	Note	30 November 2018 US$	30 November 2017 US$
Assets			
Non-current assets			
Intangible assets	12	-	-
Investment in subsidaries	10	1,955,013	2,049,700
Financial assets at fair value through profit and loss	11	1,126,315	981,762
Convertible Loan Notes	14	250,000	-
		3,331,328	3,031,462
Current assets			
Trade and other receivables	14	1,752,385	1,550,737
Cash and cash equivalents	15	698,694	1,422,282
		2,451,079	2,973,019
Total assets		5,782,407	6,004,481
Current liabilities			
Trade and other payables	19	470,808	633,149
		470,808	633,149
Total liabilities		470,808	633,149
Net Assets		5,311,599	5,371,332
Equity attributable to the owners of the parent			
Ordinary shares	17	326,036	264,221
Share Premium	17	10,218,805	9,271,098
Retained earnings	18	(5,131,273)	(4,241,264)
Translation Reserve	18	(101,969)	77,277
Total Equity		5,311,599	5,371,332

The notes on pages 38 to 67 are an integral part of these financial statements.

The financial statements on pages 32 to 67 were authorised for issue by the Board of Directors on 13 March 2019 and were signed on its behalf.

The Company's loss before tax for the year ended 30 November 2018 was $920,213.

M J Malcolm Groat
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number 08873361

CONSOLIDATED STATEMENT OF CHANGES IN THE EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2018

Group	Note	Ordinary Shares US $	Share Premium US $	Translation Reserve US $	Merger Reserve US $	Profit and loss account US $	Total US $	Non-Controlling US $	Total Equity US $
		Attributable to equity holders of the parent company							
Balance as at 30 November 2016		**228,052**	**6,377,383**	**(39,540)**	**(72,169)**	**(3,778,052)**	**2,715,674**	**421,400**	**3,137,074**
Share issue	17	34,879	3,017,010	-	-	-	**3,051,889**	-	**3,051,889**
Cost of share issue		-	(202,625)	-	-	-	**(202,625)**	-	**(202,625)**
Gain/(Loss) for the year		-	-	-	-	4,487,533	**4,487,533**	(335,785)	**4,151,748**
Other comprehensive income		-	-	320,525	-	-	**320,525**	103,705	**424,230**
Share based payments		-	-	-	-	70,318	**70,318**	-	**70,318**
Warrants exercised		1,290	79,330	-	-	-	**80,620**	-	**80,620**
New funds into non-controlling interest		-	-	-	-	-	-	323,300	**323,300**
Gain/(Loss) arising from change in NCI		-	-	-	-	152,026	**152,026**	(152,026)	-
Derecognition of NCI as a result of change in the accounting policy		-	-	-	-	-	-	(360,593)	**(360,593)**
Balance as at 30 November 2017		**264,221**	**9,271,098**	**280,985**	**(72,169)**	**931,826**	**10,675,961**	-	**10,675,961**
Share issue	17	61,815	1,097,216	-	-	-	**1,159,031**	-	**1,159,031**
Cost of share issue	17	-	(149,509)	-	-	-	**(149,509)**	-	**(149,509)**
Gain for the year	18	-	-	-	-	4,554,625	**4,554,625**	-	**4,554,625**
Other comprehensive loss	18	-	-	(135,342)	-	-	**(135,342)**	-	**(135,342)**
Share based payments	24	-	-	-	-	30,204	**30,204**	-	**30,204**
Balance as at 30 November 2018		**326,036**	**10,218,805**	**145,643**	**(72,169)**	**5,516,655**	**16,134,970**	-	**16,134,970**

Share premium - amount subscribed for share capital in excess of nominal value, net of directly attributable costs.

Translation reserve - amount subscribed for foreign exchange differences recognized in Other Comprehensive Income

Merger reserve - amount subscribed for share capital in excess of nominal value in relation to the qualifying acquisition of subsidiary undertakings.

Retained earnings - cumulative net gains and losses recognised in the consolidated statement of comprehensive income

The notes on pages 38 to 67 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN THE EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2018

		Attributable to owners of the parent company				
Company	Note	Ordinary Shares US $	Share Premium US $	Translation Reserve US $	Profit and loss account US $	Total Equity US $
Balance as at 30 November 2016		**228,052**	**6,377,383**	**(512,763)**	**(3,885,405)**	**2,207,267**
Share issue	17	34,879	3,017,010	-	-	3,051,889
Cost of share issue		-	(202,625)	-	-	(202,625)
Loss for the year		-	-	-	(426,177)	(426,177)
Other comprehensive income		-	-	590,040	-	590,040
Share based payments		-	-	-	70,318	70,318
Warrants exercised		1,290	79,330	-		80,620
Balance as at 30 November 2017		**264,221**	**9,271,098**	**77,277**	**(4,241,264)**	**5,371,332**
Share issue	17	61,815	1,097,216	-	-	1,159,031
Cost of share issue	17	-	(149,509)	-	-	(149,509)
Loss for the year	18	-	-	-	(920,213)	(920,213)
Other comprehensive loss	18	-	-	(179,246)	-	(179,246)
Share based payments	24	-	-	-	30,204	30,204
Balance as at 30 November 2018		**326,036**	**10,218,805**	**(101,969)**	**(5,131,273)**	**5,311,599**

Share premium – amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

Translation reserve – amount subscribed for foreign exchange differences recognized in Other Comprehensive income.

Retained earnings – cumulative net gains and losses recognized in the consolidated financial statements of comprehensive income

The notes on pages 38 to 67 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2018

Group	Note	For the year ended 30 November 2018 US $	For the year ended 30 November 2017 US $
Cash flows from operating activities			
Cash outflows from operations	22	**(866,377)**	(2,739,179)
Tax paid	8	**(1,269)**	(2,206)
Net cash outflows from operating activities		**(867,646)**	(2,741,385)
Cash flows from investing activities			
Deemed disposal of subsidiary, net of cash acquired		-	(596,176)
Purchase of financial assets at fair value through profit and loss*	11	**(693,413)**	-
Purchases of property, plant and equipment	13	**(45,841)**	(15,755)
Proceeds from sale of Property, plant and equipment		**80**	-
Purchases of intangible assets		-	(43,277)
Net cash outflows from investing activities		**(739,174)**	(655,208)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	17	**1,159,031**	3,051,889
Process from issue of warrants shares		-	80,620
Costs of raising finance	17	**(149,508)**	(202,625)
Cash from non controlling interest		-	323,300
Net cash inflows from financing activities		**1,009,523**	3,253,184
Net decrease in cash and cash equivalents		**(597,297)**	(143,410)
Cash and cash equivalents at beginning of year	15	**1,797,729**	1,839,603
Exchange (losses)/gains on cash and cash equivalents		**(34,990)**	101,536
Cash and cash equivalents at end of year		**1,165,442**	1,797,729

Please note approximately $0.8m of cash used was attributed to Belluscura plc through deconsolidation date of May 1, 2017

* Non-cash investing activities: included in purchases of financial assets at fair value through profit and loss are non-cash additions in respect of the conversion of US$0.56m loan receivable from Belluscura Limited into equity classified as Additions in Note 11.

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 listed on the AIM market of the London Stock Exchange in 2014. The principal activity of the parent company is that of an investment entity and that of the Group is to provide universities and corporate clients with a wide range of technology transfer services. The Group and the parent company also acquire exclusive licenses for disruptive technologies it has acquired for its own portfolio, for subsequent commercialisation.

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

2. Accounting policies

2.1 Statement of compliance

The consolidated financial statements of Tekcapital PLC Group 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 consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements comprise the financial statements of Tekcapital plc and its subsidiaries, Tekcapital Europe Ltd and Tekcapital LLC.

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.

The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 "Reduced disclosure framework" ('FRS 101'). The company will continue to prepare its financial statements in accordance with FRS101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

The Company financial statements have been prepared using the historical cost convention except where other measurement basis are required to be applied and in accordance with IFRS under FRS 101. In accordance with FRS101, the company has taken advantage of the following exemptions:

- IAS 7, 'Statement of Cash Flows'
- Requirements of IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

2.1.1 Going concern

The Group meets its day to day working capital requirements through its service offerings, bank facilities and monies raised in follow-on offerings. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. Whilst it is the Group's intention to rely on the available cash reserves, future income generated from its growing service offerings and reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as a going concern dependent on an additional fund raise. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through equity issues. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

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

The following standards became effective during the year ended 30 November 2018: IAS 7, IAS 12 and IFRS 12.

A number of new standards and amendments to standards and interpretations are effective for the periods after 30 November 2018, and have not been applied in preparing these consolidated financial statements:

Amendments to IFRS 2 "classification and Measurement of Share-based Payment Transactions"

The amendments break down into three distinct areas:

- Classification of share-based payments that have a net settlement feature within the framework of an equity-settled plan: none applicable to the Group
- Accounting for modifications that change the classification of payments from cash-settled to equity-settled: no such modifications applicable to the Group
- The effects of vesting/non-vesting conditions on cash-settled share-based payments: no cash-settled share-based payments applicable.

Amendments to IFRS 4 "Applying IAS 39 Financial Instruments with IFRS 4 insurance contracts"

No IFRS 4 insurance contracts are applicable to the Group. As such, no material impact on the financial statements was determined.

IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" was issued in July 2014 to replace IAS 39 "Financial Instruments: Recognition and Measurement" and has been endorsed by the EU. The standard is effective for accounting periods beginning on or after 1 January 2018. The most significant change resulting from IFRS 9 is how banks account for loan losses, and the standard does not introduce significant changes to Group's accounting policies as compared to IAS 39. All assets within the scope of IFRS 9 are measured at either:

- Amortized cost
- Fair value through other comprehensive income
- Fair value through profit and loss.

The Group measures its financial assets primarily at fair value through profit and loss as documented in Note 2.9 and the standard does not introduce material changes to measurement of those. As such, no material impact on the financial statements was determined.

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in September 2015 and is effective for accounting periods beginning on or after 1 January 2018. The review of IFRS 15 is ongoing and the Directors have undertaken an assessment of the impact of the standard on the Group based on the standard's latest authoritative guidance. The Group will adopt IFRS 15 on 1 December 2018 and will restate any comparative figures for the year ended 30 November 2018 where relevant. The directors are finalising the assessments of the review and expect these to show that there will be no material impact on the way revenues are recognised across the Group. While the assessment is ongoing, Directors believe the impact will be limited considering the fact overall materiality of Group's service revenue and the fact that Group's material revenue, Unrealised profit/loss on revaluation of investments, falls under IFRS 9 that is excluded from the scope of IFRS 15. The ongoing assessment incorporates the five-step process:

- Identification of contract
- Determination of performance obligations
- Determination of transaction price
- Allocation of price to performance obligations
- Recognition of revenue.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and is effective for accounting periods beginning on or after 1 January 2019. IFRS 16's new requirement to recognise a right-of-use asset and a related liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the Group is currently assessing its potential impact. This will have an impact on Group's consolidated financial statements because operating lease as disclosed in Note 23 will no longer be treated as off balance sheets commitments.

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 Business combinations

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 and all subsidiaries controlled by it.

Subsidiaries are entities that are controlled by the Group. Control 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.

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 Group's 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, the primary economic activity of these entities is 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 Investment in subsidiaries

Investments in subsidiaries are recognised initially at cost. The cost of the investment includes transactions costs. The carrying amounts are reviewed at each reporting dated to determine whether there is any indication of impairment. Following the adoption of the change in the accounting for its investments described in Note 2.1.2 for 2017 financial statements, Tekcapital transferred its investments in these companies from investment in subsidiaries to investments held at fair value through the profit and loss for Belluscura and its other Intellectual Property portfolio investments effective 1 May 2017. As a result of this adoption and deconsolidation of previously consolidated subsidiaries in comparable period ended 30 November 2017, the Group recognized a gain of $226,656 in the year ended 30 November 2017. Directors' judgment was exercised in determination that the Group meets the following criteria and should be recognized as an investment entity under IFRS 10 par. 27:

- Obtains funds from one or more investors for the purpose of providing clients with investment management services
- Commits to its investors that its business purpose is to invest funds solely for return from capital appreciation, investment income or both
- Measures and evaluate the performance of substantially all of its investments on a fair value basis.

Tekcapital's IP search and technology transfer investment services represent investment advisory services, and therefore Tekcapital Europe Limited and Tekcapital LLC continue to be treated as subsidiaries and are consolidated in the Group financial statements. These services may be provided to investors, clients and third parties. The Board considers that the criteria are met in the group's current circumstances.

In 2017, Tekcapital has refined its business purpose to that of providing intellectual property investment services and advice to create market value. This refined focus has become one of creating value primarily through out-licensing of intellectual properties and in some cases from the monetisation of portfolio company investments primarily through out-licensing and also through trade sales or Initial Public Offerings, when appropriate. The Board envisages that Tekcapital's shareholder returns will derive primarily from mid to long-term capital appreciation of a portion of its intellectual property investments, as well as from providing IP investment services to clients. Consequently, the Group's portfolio companies are measured at fair value in accordance with IAS 39 as disclosed in Note 2.9.

2.5 Non-controlling interests

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Upon the loss of control the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary are derecognised. Any resulting gain or loss is recognised in the profit and loss.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated 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 are calculated 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
Leasehold improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The 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 included in other reserves are transferred to retained earnings.

2.7 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 shown at original cost of purchase less impairment losses.

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 provided by the asset 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 reliably measured.

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

(c) Licences

Costs associated with the acquisition of Licences 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 measurable and it is probable that economic benefit will flow to the entity.

Further development costs attributable to the Licenced 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.

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

(d) Vortechs Group

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

Under IAS38, the Group's Vortechs Group asset is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that this asset is unique as it operates in a niche market, it generates an ongoing revenue stream, and there is no expectation of obsolescence. This asset meets the requirements of IAS38 as it is separately identifiable, controlled by the Group, the cost can be measured reliably, and as a result of owning this asset future economic benefits in the form of service revenue are generated for the Group.

In the opinion of the Directors this asset has an indefinite useful life and there has been no amortisation or impairment provided in the current year.

2.8 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.

2.9 Financial instruments

2.9.1 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 investments into Lucyd Ltd, Belluscura plc and other portfolio companies classified as equity investments. They are included in current assets and are measured at fair value through profit and loss in accordance with IAS 39.

The Company also has loans, convertible loan notes 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 non-current assets. The Group's loans and receivables comprise 'trade and other receivables' in the balance sheet. The Group also has cash and cash equivalents.

All short term financial liabilities are measured at cost, the Group does not hold any long term financial liabilities.

2.9.2 Recognition and measurement

The Company's investments into the portfolio companies are recognised on the acquisition or formation date and measured at fair value through profit or loss in accordance with IAS 39.

Loans and receivables are recognised on the trade date in which the transaction took place and are recognised at their fair value (which equates to cost) 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. Short term financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.9.3 Fair value

Financial instruments are measured at fair value including investments in portfolio companies, cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings. This measurement policy does not apply to subsequent measurement at amortised cost of short term financial liabilities and trade receivables.

The Group measures portfolio companies using valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Our newly adopted fair value valuation policy is as follows:

- The fair value of new portfolio companies is estimated at the cost of the acquired IP or equity plus associated expenses to facilitate the acquisition.
- Existing portfolio companies are valued as follows:
  - If a market transaction such as third-party funding has occurred during the past 18 months we will value our ownership in the portfolio company at this observed valuation, taking account of any observed material changes during the period.
  - In the absence of a recent market transaction, fair value will be estimated by alternative methods and where appropriate by an external, qualified valuation expert. The valuation technique used fall under Level 2 – Observable techniques other than quoted prices and Level 3 – other techniques as defined by IFRS 13.

prices and Level 3 - other techniques as defined by IFRS 13.

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.

2.10 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.

2.11 Impairment of financial assets

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 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 the 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.

2.12 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 position 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.

2.13 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.

2.14 Share capital

Ordinary Shares

Ordinary shares are classified as equity.

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. 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.

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.

Non-controlling interest

Non-controlling interest is the portion of equity ownership in a subsidiary not attributable to the parent company.

2.15 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.

2.16 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.

2.17 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.

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.

2.18 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.

2.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under the operating leases are charged to income on a straight-line basis over the term of the relevant lease.

2.20 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.

The Group also recognises an unrealised profit/loss on the revaluation of investments in share of portfolio companies in accordance with the fair value policy outlined in Note 2.9.

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.

Sales of goods

Income is derived from the sale of goods when the goods have been shipped to the customer

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) Portfolio Risk

The fair value of each portfolio company represents the best estimate at a point in time and may be impaired if the business does not perform as well as expected, directly impacting the Group's value and profitability. This risk is mitigated as the size of the portfolio increases. The Group performed sensitivity analysis with regards to assumptions used in determination of fair value of the portfolio in Note 11.

(b) 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.

(c) 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 $1,165,442. All amounts shown in the consolidated statement of financial position under current assets and current liabilities mature for payment within one year, with Trade and Other Receivables exceeding Trade and Other Payables by US$ 142,916.

(d) 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.

(e) 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.

(f) 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.

A sensitivity analysis has been performed to assess the exposure of the Group to foreign exchange movements. If the exchange rate weakened by 10 percent then the effect on the loss before tax would increase by US$34,977 and equity would decrease by US$37,711.

(g) The vote by the United Kingdom (UK) to leave the European Union (EU)

The vote by the United Kingdom (UK) to leave the European Union (EU) (referred to as Brexit), increases potential for uncertainty and disruptions that may lead up to and follow Brexit, including with respect to volatility in exchange rates and interest rates and potential material changes to the regulatory regime applicable to our operations in the UK. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. This could have an adverse effect on our business, ability to raise additional capital, financial results and operations.

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 2018.

The Company's historic cost of capital has been the cost of securing equity financings, which have averaged around 10%. The company's long-term financial goal is to optimise its returns on invested capital (ROIC) in excess of our weighted average cost of capital (WACC) and as such create value for our shareholders. The method the Company seeks to employ for achieving this is to utilise its structural intellectual capital developed through its Discovery Search Network, its Invention Evaluator service and its Vortechs Group Service to mitigate selection bias and improve returns on invested capital. Ultimately, management will seek to monetize these returns with exits from its investments in portfolio companies.

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 made the following judgements:

- determination as to the classification of the Group as an investment entity as discussed in Note 2.4
- determination of operating segments as disclosed in Note 5
- determination of reliance of the Group's portfolio companies on funding to achieve their fair values discussed in Note 11.

The Directors also 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.

Key estimate area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
Valuation of unquoted equity investments	In applying valuation techniques to determine the fair value of unquoted equity investments the Company makes estimates and assumptions regarding the future potential of the investments. The Group's policy is to value new portfolio companies at cost of the acquired IP or equity plus associated expenses to facilitate the acquisition. Existing portfolio companies are valued using either a market transaction such as third-party funding or, in the absence of a recent market transaction, by alternative methods and where appropriate by an external, qualified valuation expert The fair value of Guident Limited reflects the fair value of Guident's net assets. This value is primarily based on the US patent 9,429,943 valued using royalty relief method. The estimates used in this valuation include market size and market penetration used to determine projected sales, the royalty relief rate and the discount factor. These estimates are key to calculation of the net present value of future cashflows of costs avoided under the Royalty Relief method applied when valuing the patent. The fair value of Salarius Limited reflects the fair value of Salarius' net assets. This value is primarily based on the US patent 8,900,650 valued using royalty relief method. The estimates used in this valuation include market size and market penetration used to determine projected sales, the royalty relief rate and the discount factor. These estimates are key to calculation of the net present value of future cashflows of costs avoided under the Royalty Relief method applied when valuing the patent. The fair value of Lucyd Limited reflects the fair value of Lucyd's net assets. This is primarily based on the following identifiable assets: - Lucyd's ecommerce platform valued by estimating the net present value of future cashflows associated with the e-shop. Key assumptions used in estimating future cash flows are projected profits including market size and market penetration used to determine projected sales, estimated cost of sales and overhead costs and a discount factor applied for the net present value of estimated future cashflows from the platform. - Lucyd's token value determined based on the number of tokens held multiplied by the 30 November 2018 closing token price. Key assumption used in finalizing the tokens valuation included discount factor applied for the token's price volatility and liquidity of the market.	✓	✓	Note 11
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 undertake an annual review that considers an appropriateness of the use of an indefinite useful life in addition to impairment review and if required make a provision in the financial statements.	✓	✓	Note 12
Useful life of Vortechs Group	The Directors have considered the useful life of Vortechs Group to be indefinite because of the ongoing service revenue that is being generated. The business operates in a specialised market, with few competitors. The Directors undertake an annual review that considers an appropriateness of the use of an indefinite useful life in addition to impairment review and if required make a provision in the financial statements.	✓	✓	Note 12
Share based payment	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.	✓	✓	Note 24

Key estimate/judgment area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
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. The Group did not recognize deferred tax liability on fair value gains associated with the revaluation of shares in its portfolio companies due to availability of the substantial shareholdings exemption. This is considered a permanent difference and not a temporary difference.	✓	✓	Note 20

5. Segmental reporting

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

- professional services, including the provision of recruitment services via Vortechs Group, provision of reports and services provided to locate and transfer technologies to customers, as well as R&D tax relief credits and provision of management services to its portfolio companies
- licencing and investment activities, including acquiring licences for technologies, portfolio company investment, development and commercialisation
- product sales (relevant only for first 5 months of the year ended 30 November 2017, due to deconsolidation of Belluscura plc as of May 1, 2017)
- other, including activities not captured in any of the above categories. See also note below the table.

2018 **Consolidated income statement**	**Professional Services US $**	**Licensing and Investment US $**	**Other US $**	**TOTAL US $**
Net Revenue	1,040,830	5,792,264	-	6,833,094
Cost of Sales	(559,630)	-	-	(559,630)
Administrative Expenses	(629,483)	(1,070,017)	-	(1,699,500)
Depreciation and Amortization	(4,517)	(13,553)	-	(18,070)
Group operating income/(loss)	(152,800)	4,708,694	-	4,555,894
Income/(Loss) on ordinary activities before income tax	(152,800)	4,708,694	-	4,555,894
income tax expense	(317)	(952)	-	(1,269)
Income/(Loss) after tax	(153,117)	4,707,742	-	4,554,625

2017 **Consolidated income statement**	**Professional Services US $**	**Licensing and Investment US $**	**Product Sales US $**	**Other US $**	**TOTAL US $**
Net Revenue	813,714	6,309,882	139,452	-	7,263,048
Cost of Sales	(462,039)	-	(230,571)	-	(692,610)
Administrative Expenses	(208,721)	-	(761,369)	(1,410,287)	(2,380,377)
Depreciation and Amortization	-	(15,900)	(10,414)	(10,593)	(36,907)
Group operating income/(loss)	142,954	6,293,982	(862,902)	(1,420,880)	4,153,154
Income/(Loss) on ordinary activities before income tax	142,954	6,293,982	(862,902)	(1,420,880)	4,153,154
Income tax expense	-	-	(300)	(1,106)	(1,406)
Income/(Loss) after tax	142,954	6,293,982	(863,202)	(1,421,986)	4,151,748

Segment assets and liabilities

2018 Consolidated statement of financial position	Professional Services US $	Licensing and Investment US $	Other US $	TOTAL US $
Assets	1,901,195	14,386,512	133,720	16,421,427
Liabilities	(214,842)	(42,969)	(28,646)	(286,457)
Net Assets	1,686,353	14,343,543	105,074	16,134,970

2017 Consolidated statement of financial position	Professional Services US $	Licensing and Investment US $	Product Sales US $	Other US $	TOTAL US $
Assets	1,523,035	9,277,838	-	113,237	10,914,110
Liabilities	(8,140)	-	-	(230,009	(238,149)
Net Assets/(Liabilities)	1,514,895	9,277,838	-	(116,771)	10,675,961

Geographical information

	2018 US $	2017 US $
United Kingdom	6,068,109	6,390,581
United States	764,985	872,467
Total revenue	6,833,094	7,263,048

Included in the "Other" in the year ended 30 November 2017 are non product sales related expenses of Belluscura Limited. Due to deconsolidation 2017 these activities are no longer recognised in the Group's Consolidated Statement of Comprehensive Income.

6. Expenses

6.1 Expenses by nature

Group	2018 US $	2017 US $
Depreciation of property plant and equipment	**18,070**	9,958
Amortisation of other intangible assets	**-**	26,949
Other administration expenses	**1,769,288**	2,396,036
Foreign exchange movements	**(69,788)**	(15,659)
Total expenses	**1,717,570**	2,417,284

Included in the Other administration expenses is the amount of US$ 66,632 related to payments under operating lease for the office rental agreement also referenced in Note 23.

6.2 Auditor remuneration

Group	2018 US $	2017 US $
Fees payable to the group's auditor and its associates for the audit of the Group and Company financial statements	**77,912**	46,413
Fees payable to the Company's auditor and its associates for other services		
- The audit of company's subsidiaries	**16,277**	10,238
	94,189	56,651

7. Employees

7.1 Director's emoluments

Group	2018 US $	2017 US $
Directors emoluments	**264,938**	426,350
Total	**264,938**	426,350

The highest paid Director received a salary of US$191,865 (2017: US$159,410) and benefits of US$15,253 (2017L US$18,719). The highest paid Director received a bonus of US$0 (2017: US$191,865). 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 expenses

Group	2018 US $	2017 US $
Wages and salaries including restructuring costs and other termination benefits	**296,751**	545,160
Social security costs	**43,453**	50,350
Share options granted to directors and employees	**32,775**	68,505
	372,979	664,015

7.3 Average number of people employed

Group Number of employees	2018	2017
Average number of people (including executive directors) employed		
Operations	**4**	4
Management	**2**	2
Total average headcount	**6**	6

To enhance flexibility and improve cost control, the Group utilizes consultants for scientific review, administrative and operations support, software development and other knowledge-intensive services.

8. Income tax expense

Group	2018 US $	2017 US $
Current tax		
Current tax on profits for the year	1,269	1,406
Total current tax	**1,269**	**1,406**
Income tax expense	**1,269**	**1,406**

Group	2018 US $	2017 US $
Profit before tax	**4,555,894**	**4,153,154**
Tax calculated at domestic tax rates applicable to profits in the respective countries	774,502	830,631
Tax effects of:		
- Expenses not deductible for tax purposes	15,444	14,744
- Income not taxable	(1,057,017)	(1,261,976)
- capital allowances in excess of depreciation	2,150	2,830
- Unrelieved tax losses and other deductions	266,190	415,177
Total corporation tax	**1,269**	**1,406**

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 17% (2017: 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.

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the sum of weighted average number of (1) Ordinary Shares outstanding during the period and (2) any dilutive potential Ordinary Shares outstanding at 30 November 2018.

Basic and diluted earnings per share

	2018	2017
	US $	US $
Profits attributable to equity holders of the Group (US$)	**4,554,625**	4,487,533
Weighted average number of ordinary shares in issue:		
Basic	**44,100,930**	41,512,012
Diluted	**44,120,817**	41,718,262
Basic profit per share	**0.103**	0.108
Diluted profit per share	**0.103**	0.108

10. Investments in subsidiaries

Company	Shares in subsidiaries	Loans to Subsidiaries	Total
	US $	**US $**	**US $**
Cost and net book value			
As at 1 December 2017	83,104	1,966,596	2,049,700
Additions during the period	-	-	-
Disposals during the period	-	-	-
Foreign currency translation differences	(3,839)	(90,848)	(94,687)
Balance at 30 November 2018	**79,265**	**1,875,748**	**1,955,013**

Tekcapital Europe Ltd and Tekcapital LLC are still recognised as subsidiaries of Tekcapital plc because they continue to provide advisory services in IP search and technology transfer.

Subsidiaries name	Country of Incorporation and place of business	Proportion of ordinary shares directly held	Nature of business
Direct			
Tekcapital Europe Limited	England and Wales	100%	Provision of Intellectual property research services
Tekcapital LLC	USA	100%	Provision of Intellectual property research services
Indirect			
The following are directly owned by Tekcapital Europe Limited			
Lucyd Limited	England and Wales	100%	Provider of high-tech eyewear
Salarius Limited	England and Wales	97.5%	Developer of low sodium salt and snack foods
Guident Limited	England and Wales	100%	Developer of autonomous vehicle valet system
Smart Food Tek Limited	England and Wales	100%	Developer for baked food coating to reduce fat
eSoma Limited	England and Wales	100%	Developer of gesture recognition software
eGravitas Limited*	England and Wales	100%	Developer of power generating footwear
Frigidus Limited*	England and Wales	100%	Developer of high efficiency central AC units
Non Invasive Glucose Tek Limited*	England and Wales	100%	Developer of breathalyzer for diabetes

* As at the year end, the Group initiated liquidation of three portfolio companies, allowing capital to be allocated to projects with higher potential returns.

As at the year end, the Company 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.

11. Financial Assets at Fair Value through Profit and Loss

Group's investments in portfolio companies in the years ended 30 November 2018 and 30 November 2017 are listed below and classified as equity instruments. The principal place of business for portfolio companies listed below is US and UK.

Group	Proportion of ordinary shares	1 Dec 2017	Additions	Disposal	FX reval	Fair Value change	30 Nov 2018
		US $	US $	US $	US $	US $	US $
Guident Limited	100.00%	-	23,494	-	(7)	8,521,616	8,545,103
Lucyd Limited	100.00%	6,023,954	15,760	-	(16,757)	(2,982,341)	3,040,616
Salarius Limited	97.50%	15,128	27,466	-	(708)	881,944	923,830
Belluscura Limited	29.22%	981,762	560,090	-	(60,839)	(354,698)	1,126,315
Smart Food Tek Limited	100.00%	44,167	972	-	(2,066)	-	43,073
eSoma Limited	100.00%	10,983	13,768	-	(1)	-	24,750
Non Invasive Glucose Tek Limited	100.00%	24,199	425	-	(981)	(22,976)	667
eGravitas Limited	100.00%	154,535	43,955	-	(5,807)	(192,683)	-
Frigidus Limited	100.00%	52,968	7,483	-	(1,853)	(58,598)	-
Total Balance		**7,307,696**	**693,413**	-	**(89,019)**	**5,792,264**	**13,704,354**

Company	Proportion of ordinary shares held	1 Dec 2017	Additions	Disposal	FX reval	Fair Value change	30 Nov 2018
Belluscura Limited	29.22%	981,762	560,090	-	(60,839)	(354,698)	1,126,315
Total Balance		**981,762**	**560,090**	-	**(60,839)**	**(354,698)**	**1,126,315**

Group	Proportion of ordinary shares	1 Dec 2016	Additions	Disposal	FX reval	Fair Value change	30 Nov 2017
		US $	US $	US $	US $	US $	US $
Lucyd Limited	100.00%	-	190,562	-	-	5,833,393	6,023,955
Salarius Limited	100.00%	-	15,128	-	-	-	15,128
Belluscura Limited	47.35%	-	731,930	-	-	249,832	981,762
Smart Food Tek Limited	100.00%	-	44,167	-	-	-	44,167
eSoma Limited	100.00%	-	10,983	-	-	-	10,983
Non Invasive Glucose Tek Limited	100.00%	-	24,199	-	-	-	24,199
eGravitas Limited	100.00%	-	154,535	-	-	-	154,535
Frigidus Limited	100.00%	-	52,968	-	-	-	52,968
Total Balance		-	**1,224,472**	-	-	**6,083,225**	**7,307,696**

Company	Proportion of ordinary shares	1 Dec 2016	Additions	Disposal	FX reval	Fair Value change	30 Nov 2017
Belluscura Limited	47.35%	-	731,930	-	-	249,832	981,762
Total Balance		-	**731,930**	-	-	**249,832**	**981,762**

Total fair value gain of $5.8m for the year reflects uplift in value of shares of Guident and Salarius, offset mostly by reduction in valuation of Lucyd Limited. Considering early stage of commercialisation, fair value of remaining portfolio companies was recorded based on the cost of acquired IP, as their carrying amounts represent a reasonable approximation of fair value.

The Group closed three portfolio companies, allowing capital to be allocated to projects with higher potential returns.

The valuation techniques used fall under, Level 2 – Observable techniques, other than quoted prices, and Level 3- Other techniques as defined by IFRS 13. These techniques were deemed to be the best evidence of fair values considering early stage of portfolio companies. There has been no transfer between levels during the period. Fair value measurement hierarchy for financial assets as at 30 November 2018 with comparative amounts as of 30 November 2017:

	Date of Valuation	Total US $	Significant observable inputs (Level 2) US $	Significant observable inputs (Level 3) US $
Guident and others	30 November 2018	12,578,039		12,578,039
Belluscura Limited	30 November 2018	1,126,315	1,126,315	
Total Balance		**13,704,354**	**1,126,315**	**12,578,039**
Guident and others	30 November 2017	6,325,934		6,325,934
Belluscura Limited	30 November 2017	981,762	981,762	
Total Balance		**7,307,696**	**981,762**	**6,325,934**

Guident ($8.5m gain)

For the 6 months ended 31 May 2018, the Group recorded the fair value of Guident Ltd based on the cost of recently acquired IP. However due to commercialisation advancements as of 30 November 2018, an external valuation by an independent patent valuation expert was prepared for US patent 9,429, 943. The total fair value of $8.5m reflects the fair value of Guident's net assets as determined by:

- Valuation of US patent 9,429,943 of $10.3m conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. Following valuation inputs were applied by the valuation expert:
  - Total US market size of $35b for autonomous vehicles and drones (as the patent applies to both) for the 12 years period ended 30 September 2033. 1% market penetration of Guident's patent starting in 2021 with annual increase of 1% leading to a 12% market penetration by 2033, resulting in projected $3b in sales of drones/vehicles underlying licensing revenue between 2021 and 2033. This market penetration assumption is based on a number of factors:
    - o Broad protection and claims included in the IP
    - o The protection given to the product by its US patent, which effectively gives Guident a barrier to entry in the US through 2033
    - o The strength and experience of the management team, whose proven expertise is in the exact areas required to bring the product to market and build the brand;
    - o There are no foreseeable software development barriers in the commercialisation process
    - o Other foreseeable challenges for directors to deliver successful commercialisation appear to be well within the abilities of directors to handle.
  - Total 5.375% license royalty rate, with 3% royalty attributable to the university and 2.375% comprising Guident's licencing revenue based on comparable market transactions
  - Corporate income tax rate of 17% applied to projected licensing costs saved at an 18% discount rate which was used to discount proceeds as determined by opportunity cost (10%), inflation rate (3%) and technology risk (5%)
  - The deferred tax liability of ($1.7m) recorded by Guident based on UK corporate tax rate of 17% applied to the fair value gain associated with the patent
  - Net book value of other assets and liabilities of <(0.1m).

Salarius ($0.9m gain)

Due to commercialisation advancements as of 30 November 2018, compared to fair value as of 30 November 2017 determined based on the cost of acquired IP, an external valuation by an independent patent valuation expert was prepared for US patent 8,900,650.

The fair value of $0.9m reflects the fair value of Salarius' net assets as determined by:

- Valuation of US patent 8,900,650 of $1.1m conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. Following valuation inputs were applied by the valuation expert:
  - Projected underlying revenue from sales of table salt and low sodium salt (i.e. excluding any potential additional salty snacks market opportunities) of $73.9m for the 11-year period ended in 2030. Market penetration of 0.143% in 2019 growing to 1.7% in 2030. This market penetration assumption is based on a number of factors:
    - o Microsalt is a unique product substantially in advance of alternative, developed, and tested in terms of market acceptability and ready to market;
    - o The protection given to the product by its US patent, which effectively gives Salarius a barrier to entry in the US for 11 more years;

    - o The strength and experience of the management team, whose proven expertise is in the exact areas required to bring the product to market and build the brand;
    - o There are no foreseeable manufacturing barriers in the commercialisation process. Manufacturing will be outsourced, and it can be clearly foreseen that this is deliverable;
    - o Other foreseeable challenges for management to deliver successful commercialisation appear to be well within the abilities of management to handle.
  - Licence royalty rate of 7.8% with 3% royalty attributable to the university and 4.8% comprising Salarius' licencing revenue based on comparable market transactions
  - 13% discount rate used to discount proceeds as determined by opportunity cost (10%) and inflation rate (3%). Technology risk was determined at 0%, as the patent describes easily manufactured salt compositions, maybe manufactured in many production facilities without extensive modifications. The end product has already been manufactured and used to conduct consumer acceptance tests.
- The deferred tax liability of $0.2m recorded by Salarius based on UK corporate tax rate of 17% applied to the fair value gain associated with the patent
- Net book value of liquid assets, creditors and debtors of <($0.1m).

Change in estimate of the fair value of the patent was effectuated in the valuation as of 30 November 2018 compared to 31 May 2018. The change pertained to the addition of 3% royalty rate attributable to the university as well as further increase in the discount rate.

Lucyd Ltd ($3.0m loss)

The fair value of $3.0m reflects the fair value of Lucyd's net asset as determined by:

- Valuation of following Lucyd's significant assets performed by an external, qualified valuation expert:
  - Lucyd's e-commerce platform selling advanced and fashionable eyewear valued at $2.1m as determined by applying an 18% discount rate on $5m of gross profit projected through 2022. The 18% discount rate was calculated as a total of 10% opportunity cost, 3% inflation rate and 3% technology risk
  - Lucyd's 44.5m LCD tokens held in treasury valued at $0.6m based on the observable price of $0.0376, discounted by 66% for market discount to reflect market's volatility and liquidity
  - Lucyd's trademarks valued at $0.2m, assessed using Cost Approach Reproduction Method. Through cost analysis, the fair value approximates cost recognized in Lucyd's balance sheet
- The deferred tax liability of $0.4m recorded by Lucyd based on UK corporate tax rate of 17% applied to the fair value gain associated with the ecommerce platform
- Net book value of creditors, debtors and liquid assets of $0.5m.

Lucyd will be re-valuated in subsequent reporting periods. The future value of Lucyd could fluctuate significantly, either up or down, based on the performance of the business, the achievement of product development milestones and the change in the value of the Lucyd token (LCD), amongst others.

Belluscura ($0.4m loss)

The Group contributed over $0.5m in two private placements held in February and November 2018, each at 13 pence per share. The fair value of the holding declined by $0.4m due to the most recent private placement held at 10 pence per share in December 2018. The Group did not participate in the December 2018 placement.

Non Invasive Glucose Tek/ eGravitas/ Frigidus ($0.3m loss)

The Group closed these three portfolio companies resulting in recognition of a $0.3m fair value loss.

Smart Food Tek/ eSoma (Nil Gain / Nil loss)

Under level 3 unobservable inputs. In the absence of observable inputs the directors have considered the entities own data to determine the fair value, which equates to the original funds invested. They do not consider that any other available information would materially change or give a more reliable representation of the value.

Description of significant unobservable inputs to valuation:

The significant unobservable input used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 November 2018 are shown as below:

	Valuation Technique	Significant unobservable input	Estimate applied	Sensitivity of the input to fair value
Lucyd	Income Approach (Eshop)/Net Asset Approach (Treasury Tokens)	Discount to Treasury tokens	66%	10% increase in the discount factor would decrease the Lucyd valuation by $170,000, a 10% reduction in the discount factor would increase the Lucyd valuation by $170,000
		Discount to Future Cash Flows from Eshop Sales	18%	5% increase in the discount factor would decrease the Lucyd valuation by $250,000, a 5% decrease in the discount factor would increase the value by $300,000
		Eshop gross profit through December 2022	$5m	A 20% increase in gross profit would increase the Lucyd valuation by $650,000. A 20% decrease in gross profit would decrease the Lucyd valuation by $600,000.
Guident	Income Approach Royalty Relief Method	Discount to Future Cash Flows from licensing	18%	5% increase in the discount factor would decrease the Guident valuation by $3,000,000, a 5% decrease in the discount factor would increase the value by $5,200,000
		Royalty Relief Rate	5.375%	A 1% increase in the royalty relief rate would increase the Guident valuation by $3,600,000, a 1% decrease in the royalty relief rate would decrease the valuation by $3,600,000
		Gross licensing proceeds	$3.1B	A 20% increase in the gross licensing proceeds would increase the Guident valuation by $1,700,000. A 20% decrease would decrease the Guident valuation by $1,700,000.
Salarius	Income Approach Royalty Relief Method	Discount to Future Cash Flows from licencing	13%	5% increase in the discount factor would decrease the Salarius valuation by $315,000, a 5% decrease in the discount factor would increase the value by $450,000
		Licence Royalty Rate	7.8%	A 2% increase in the royalty rate would increase the Salarius valuation by $420,000 a 2% decrease in the royalty rate would decrease the Salarius valuation by $420,000.
		Projected sales	$74m	A 20% increase in the projected sales would increase the Salarius valuation by $200,000. A 20% decrease in the projected sales would decrease the Salarius valuation by $200,000.

No sensitivities have been included on the other investments as their fair value equates to cost.

The Group exercised judgment in determination of sufficiency of portfolio companies' cash reserves, forecasts and ability to raise money to achieve their fair values. Directors reviewed and questioned the forecasts used, standing liquidity and working capital balances, as well as discussed capability and plans to raise money in the future with directors or management of portfolio companies. Based on the review, the Group made a positive determination as to porfolio companies likely ability to achieve fair values considering liquidity factors.

12. Intangible assets

	Purchased intangible assets				
Group	Vortechs	Licenses	Website development	Invention Evaluator	Total
	US $	US $	US $	US $	US $
As at 30 November 2017	500,000	-	28,121	338,770	866,890
As at 30 November 2018	**500,000**	**-**	**28,121**	**338,770**	**866,890**
Accumulated amortisation and impairment					
As at 30 November 2017	-	-	(28,121)	-	(28,121)
As at 30 November 2018	**-**	**-**	**(28,121)**	**-**	**(28,121)**
Net Book Value					
As at 30 November 2018	**500,000**	**-**	**-**	**338,770**	**838,769**
		-			
At 30 November 2017	500,000	-	-	338,770	838,769

The intangible assets presented above are included within Professional Services segment under Note 5 disclosure.

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 appealed globally to many types of clients including Fortune 100 companies, there is no expectation of obsolescence in the foreseeable future, and the service from the use of the asset 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.

The Directors have considered the recoverable amount by assessing the value in use by considering the future cash flow projections of the revenue generated by the Invention Evaluator intangible, cash flows were based on the past revenue generation plus expected growth. The projections were assessed for a three year period in order to determine no impairment.

Under IAS38, the Group's Vortechs asset is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that this asset is unique as it operates in a niche market, it generates an ongoing revenue stream, and there is no expectation of obsolescence. This asset meets the requirements of IAS38 as it is:

- Separately identifiable
- The Group controls this asset
- Future economic benefits flow to the Group in the form of service revenues from this asset
- The cost of this asset can be measured reliably

The Directors have carried out an impairment review and consider the value in use to be greater than the book value.

The Directors have considered the recoverable amount by assessing the value in use by considering the future cash flow projections of the revenue generated by the Vortechs intangible, cash flows were based on the past revenue generation plus expected growth. The projections were assessed over a period in excess of 5 years on the basis the directors consider the projections can be reasonably forecast. The tech-transfer recruiting is viewed by directors as permanent part of the Group's business and its offering. This together with the high turnover in this industry leading to continuous hiring needs leads Directors to apply projections of over 5 years in the impairment determination.

Company	Purchased intangible assets: Website development	Total
	US $	US $
As at 30 November 2017	28,121	28,121
As at 30 November 2018	**28,121**	**28,121**
Accumulated amortisation and impairment		
As at 30 November 2017	(28,121)	(28,121)
As at 30 November 2018	**(28,121)**	**(28,121)**
Net Book Value		
As at 30 November 2018	**-**	**-**
At 30 November 2017	-	-

13. Property, furniture and equipment

GROUP	Leasehold Improvements	Office equipment	Computer Equipment	Production Equipment	Total
	US $	US $	US $	US $	US $
Closing cost 30 November 2016	**13,775**	**24,274**	**28,948**	**-**	**66,997**
Exchange differences	-	9	111	-	120
Additions	-	-	8,322	7,433	15,755
Disposals	(13,775)	(22,241)	(20,074)	(7,433)	(63,523)
Closing cost 30 November 2017	**-**	**2,042**	**17,307**	**-**	**19,349**
Exchange differences	-	3	34	-	37
Additions	13,775	22,241	9,825	-	45,841
Disposals	-	-	(309)	-	(309)
Closing cost 30 November 2018	**13,775**	**24,286**	**26,856**	**-**	**64,917**
Accumulated depreciation and impairment					
Accumulated depreciation at 30 November 2016	**(1,607)**	**(3,417)**	**(10,483)**	**-**	**(15,507)**
Depreciation charge	(1,148)	(2,261)	(6,177)	(372)	(9,958)
Disposals	2,755	4,394	4,258	372	11,779
Exchange differences	-	-	343	-	343
Accumulated depreciation at 30 November 2017	**-**	**(1,284)**	**(12,059)**	**-**	**(13,344)**
Depreciation charge	(6,888)	(4,860)	(6,631)	-	(18,379)
Disposals	-	-	308	-	308
Exchange differences	-	2	(16)	-	(14)
Accumulated depreciation at 30 November 2018	**(6,888)**	**(6,142)**	**(18,398)**	**-**	**(31,428)**
Closing net book value 30 November 2017	-	758	5,248	-	6,005
Closing net book value 30 November 2018	**6,888**	**18,143**	**8,458**	**-**	**33,489**

14. Trade and other receivables

GROUP	2018 US $	2017 US $
Trade receivables	**59,655**	64,532
Less provision for impairment of trade receivables	**-**	-
Trade receivables - net	**59,655**	64,532
Vat recoverable	**40,329**	17,530
Prepayments and other debtors	**97,769**	91,438
Receivables from related parties	**231,620**	790,411
Total trade and other receivables	**429,373**	963,911
Non-current: convertible loan notes	**250,000**	-

Company	2018 US $	2017 US $
Receivables from Group companies	**1,697,545**	1,494,729
VAT	**30,057**	11,249
Prepayments	**24,783**	44,759
Total trade and other receivables	**1,752,385**	1,550,737
Non-current: convertible loan notes	**250,000**	-

The fair value of trade and other receivables are not materially different to those disclosed above. The Group's exposure to credit risk related to trade receivables is detailed in Note 3 to the consolidated financial statements.

*The Group and the Company hold two convertible loans issued by its portfolio company, Salarius Ltd during the year for the total of US$ 350,000, of which US$250,000 was drawn. Both loan notes were issued at 10% coupon rate and included option to convert the debt into shares at market price (no discount offered). Market rate of 10% was applied in determination of the present value of cash flows related to both notes. Convertible loan issued in September 2018 issued for $50,000 is repayable on demand, however directors currently do not anticipate the repayment before November 2019. The $300,000 note originated in October 2018 is payable by Salarius on 29 October 2020 or can be converted into Salarius' equity upon occurrence of certain conversion events.
The Group had outstanding receivables from its portfolio companies as at 30 November 2018 in the amount of:
- US$220,732 due from Lucyd Ltd
- US$8,185 due from Salarius Ltd
- US$2,536 due from Guident Ltd

The Company recorded US$2,500,000 provision against its receivable from one its subsidiaries, Tekcapital LLC.

15. Cash and cash equivalents

GROUP	2018 US $	2017 US $
Cash at bank and in hand	**1,165,442**	1,797,729
Total cash and cash equivalents	**1,165,442**	1,797,729

Company	2018 US $	2017 US $
Cash at bank and in hand	**698,694**	1,422,282
Total cash and cash equivalents	**698,694**	1,422,282

16. Categories of financial assets and financial liabilities

GROUP	**2018 US $**	2017 US $
Financial assets at fair value through profit and loss	**13,704,354**	7,307,696
Loans and receivables at amortised cost	**679,389**	881,547
Cash and equivelents	**1,165,442**	1,797,729
	15,549,185	9,986,972
Financial liabilities		
Trade and other payables at amortised cost	**275,601**	228,602

Company	**2018 US $**	2017 US $
Financial assets at fair value through profit and loss	**1,126,315**	981,762
Loans and receivables at amortised cost	**1,997,602**	1,494,729
Available for sale	**1,955,013**	2,049,700
Cash and equivelents	**698,694**	1,422,282
	5,777,624	5,948,473
Financial liabilities		
Trade and other payables at amortised cost	**470,809**	633,149

17. Share capital and premium

Share capital

Group and Company	**Number of shares**	**Ordinary Share US$**	**Total US $**
Issued and fully paid up			
As at 30 November 2016	**35,421,207**	**228,052**	**228,052**
Shares issued in further public offering	6,968,500	34,879	34,879
Warrants exercised	265,000	1,290	1,290
As at 30 November 2017	**42,654,707**	**264,221**	**264,221**
Shares issued in further public offering	11,698,335	61,815	61,815
As at 30 November 2018	**54,353,042**	**326,036**	**326,036**

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: October 2018 - 11,698,335 shares were issued in the placing of new ordinary shares at £0.075p. Total proceeds of US$1,097,216 were netted against cost of raising finance in the amount of US$149,509.

The Company has authorised share capital of 55,150,957, with a nominal value of £0.004. Of these shares, 54,353,042 were issued and fully paid up.

Share premium

Group and Company	Share Premium US$	Total US $
As at 30 November 2016	6,377,383	6,377,383
Shares issued in further public offering	3,017,010	3,017,010
Cost of shares issued	(202,625)	(202,625)
Warrants exercised	79,330	79,330
As at 30 November 2017	**9,271,098**	**9,271,098**
Shares issued in further public offering	1,097,216	1,097,216
Cost of shares issued	(149,509)	(149,509)
As at 30 November 2018	**10,218,805**	**10,218,805**

18. Reserves

Retained earnings

Group	Group Retained Earning US$	Company Retained Earning US$
As at 1 December 2016	**(3,778,052)**	**(3,885,405)**
Gain/(Loss) for the year	4,487,534	(426,177)
Share based payments	70,318	70,318
Gain arising from changes in non-controlling interest	152,026	-
At 30 November 2017	**931,826**	**(4,241,264)**
Gain/(Loss) for the year	4,554,625	(920,213)
Share based payments	30,204	30,204
As at 30 November 2018	**5,516,655**	**(5,131,273)**

Merger reserve

Group	Merger Reserve US$
As at 30 November 2017	(72,169)
As at 30 November 2018	**(72,169)**

Translation reserve

Group	Group Translation Reserve US$	Company Translation Reserve US $
As at 1 December 2016	**(39,540)**	**(512,763)**
Foreign exchange gain	320,525	590,040
As at 30 November 2017	**280,985**	**77,277**
Foreign exchange loss	(135,342)	(179,246)
As at 30 November 2018	**145,643**	**(101,969)**

19. Trade and other payables

Group	2018 US $	2017 US $
Trade creditors	**91,303**	96,088
Social security and other taxes	**10,357**	4,304
Accruals, deferred income and other creditors	**184,297**	137,257
	285,957	237,649

Company	2018 US $	2017 US $
Amounts due to related parties	**357,529**	532,740
Accruals, deferred income and other creditors	**113,279**	100,409
	470,808	633,149

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.

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 17% has been used to calculate the potential deferred tax.

	Group	Group	**Company**	Company
	2018	2017	**2018**	2017
Deferred tax	**US $**	US $	**US $**	US $
Accelerated capital allowances	**(3,072)**	(3,915)	-	(1,198)
Short term timing difference	-	-	-	-
Tax losses	**(1,130,366)**	(1,415,881)	**(446,993)**	(268,718)
Unprovided deferred tax asset	**1,127,294**	1,419,796	**446,993**	269,916
	-	-	-	-

21. Dividends

No dividend has been recommended for the year ended 30 November 2018 (2017: Nil) and no dividend was paid during the year (2017: Nil).

22. Cash used from operations

Group	2018 US $	2017 US $
Gain before income tax	**4,555,894**	4,153,154
Adjustments for		
- Depreciation	**18,070**	9,958
- Amortisation	**-**	26,949
- Share based payment expense	**30,204**	70,318
- Movement in foreign exchange	**(11,127)**	207,411
- Movement in trade and other receivables	**284,536**	(654,915)
- Financial assets at fair value through the profit or loss	**(5,792,264)**	(6,083,225)
- Derecognition due to deconsolidation	**-**	(226,657)
- Inventory movement	**-**	4,503
- Trade and other payables	**48,310**	(246,675)
Cash used	**(866,377)**	(2,739,179)

23. Commitments

Capital commitments

The Group entered into convertible loan note agreement in November 2018 with Salarius Ltd for the total amount of $300,000. $200,000 was provided as part of the agreement by the Group in November 2018, with $100,000 commitment remaining outstanding.

Operating lease commitments

The Group's subsidiaries have various office rental agreements. The total unprovided minimum lease commitments under non--cancellable operating leases are:

Group	2018 US $	2017 US $
Arising:		
No later than 1 year	**59,847**	58,431
Later than 1 year and no later that 5 years	**61,925**	124,351
	121,772	182,782

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:

Attribute	Input
No. of options granted	3,585,000
Share price at date of grant	£0.09-£0.46
Exercise price	£0.081-£0.46
Options life in years	5
Risk free rate	1.50%
Expected volatility	18%-69%
Expected dividend yield	0
Fair value of options	£0.03-£0.14

The share based payment expense for the year was $30,204 (2017: $70,318). Details of the number of share options and the weighted average exercise price outstanding during the year as follows:

Group and Company	2018 Av. Exercise price per share £	2018 Options (Number)	2017 Av. Exercise price per share £	2017 Options (Number)
As at 1 December	**0.3379**	**3,285,000**	0.3402	3,060,000
Granted	**0.0810**	**300,000**	0.3066	225,000
Exercised	-	-	-	-
Forfeited	-	-	-	-
As at 30 November	**0.3164**	**3,585,000**	0.3379	3,285,000
Exercisable as at 30 November		**2,951,667***		950,000*

*The weighted average exercise price for the options exercisable as at 30 November 2018 and 30 November 2017 was £0.33p and £0.23p respectively

The weighted average remaining contractual life is 1.82 years (2016: 2.56 years).

The weighted average fair value of options granted during the year was £0.07p (2017: £0.04p)

The range of exercise prices for options outstanding at the end of the year was £0.081p - £0.46p (2017: £0.19p - £0.46p)

25. Related party transactions

During the year Nigel Wray and his family participated in a Belluscura Private Placements held in January 2018 and November 2018. Nigel Wray and his family's participation was 4.5m shares (15.14% ownership) as of 30 November 2018. As a holder of more than 10% of both the Company's issued share capital and Belluscura's issued share capital at the time of the relevant transactions, Nigel Wray and his family were deemed a related party under the AIM Rules for Companies and therefore this transaction was a related party transaction pursuant to those rules.

Details of Directors' remuneration and grant of options are given in the Directors' report. The Group had an outstanding payable balance to Max Inglis in the amount of US$193 and $7,486 payable to Dr Clifford Gross as at 30 November 2018.

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

On December 4, Belluscura plc completed private placement at 10p. The Group did not participate in this placement.

On December 6, 2018, Guident ltd appointed Johan De Nysschen as a director. Johan previously served as Executive Vice President of General Motors and President of the Cadillac Motor Division, President of Infiniti Motor Company Ltd, President of Audi of America Inc., and President of Audi Japan, amongst other positions.

On January 14, 2019, Guident ltd appointed Daniel Grossman as a director. He most recently served as CEO of Chariot. Previously, Dan helped create General Motors' mobility division, Maven, and led all operations as COO, and was a Vice President at Zipcar, where he helped pioneer the brand globally.

On February 19, 2019, Belluscura plc filed an additional patent application entitled "Improved Extracorporeal Membrane Oxygenation Device, System and Related Methods," which involves incorporating and expanding their existing oxygen enrichment patent portfolio into an innovative, next generation portable artificial lung and a novel wound care treatment device.

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