

Registered number: 07004137

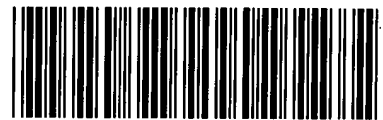
**OPTIMAL MEDICINE LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2015**

WEDNESDAY



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OPTIMAL MEDICINE LIMITED

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COMPANY INFORMATION

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**DIRECTORS** Susan D Lowther  
Derek L Hill

**REGISTERED NUMBER** 07004137

**REGISTERED OFFICE** 4<sup>th</sup> Floor  
Griffin Court  
15 Long Lane  
London  
EC1A 9PN

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OPTIMAL MEDICINE LIMITED

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OPTIMAL MEDICINE LIMITED

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The directors present their report and the financial statements for the year ended August 31, 2015.

**DIRECTORS**

The directors who served during the year were:

David J Brister	(resigned 8 <sup>th</sup> December 2015)
Robert N McBurney	(resigned 8 <sup>th</sup> December 2015)
Dr Janet C Munro	(resigned 8 <sup>th</sup> December 2015)
IP2IPO Services Limited	(resigned 8 <sup>th</sup> December 2015)
Lisa A Weldon	(appointed 16 Dec 2014, resigned 8 Dec 2015)
Derek Hill	(appointed 8 <sup>th</sup> December 2015)
Susan Lowther	(appointed 8 <sup>th</sup> December 2015)

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on May 13, 2016 and signed on its behalf.



Derek Hill  
Director

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OPTIMAL MEDICINE LIMITED

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**PROFIT AND LOSS ACCOUNT  
YEAR ENDED AUGUST 31, 2015**

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	Note	2015 £	2014 £
<b>TURNOVER</b>		<b>1,264</b>	<b>1,663</b>
Research and development		<u>(96,559)</u>	<u>(187,035)</u>
<b>GROSS LOSS</b>		<b>(95,295)</b>	<b>(185,372)</b>
Administrative expenses		<u>(760,841)</u>	<u>(513,794)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(856,136)</b>	<b>(699,166)</b>
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	<u><b>(856,136)</b></u>	<u><b>(699,166)</b></u>

The notes on pages 6 to 11 form part of these financial statements.

OPTIMAL MEDICINE LIMITED

**BALANCE SHEET  
AT AUGUST 31, 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	6		1,734		823
Investments	7		<u>41,145</u>		<u>41,145</u>
			42,879		41,968
<b>CURRENT ASSETS</b>					
Debtors	8	279,347		152,397	
Cash at bank		<u>292,127</u>		<u>1,274,667</u>	
		571,474		1,427,064	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(23,449)</u>		<u>(21,991)</u>	
<b>NET CURRENT ASSETS</b>			<u>548,026</u>		<u>1,405,073</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			590,905		1,447,041
<b>CREDITORS: amounts falling due after more than one year</b>	10		<u>-</u>		<u>-</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u>590,905</u>		<u>1,447,041</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		178		178
Share premium account	12		2,997,739		2,997,739
Capital redemption reserve	12		225		225
Profit and loss account	12		<u>(2,407,237)</u>		<u>(1,551,101)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>			<u>590,905</u>		<u>1,447,041</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at August 31, 2015 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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OPTIMAL MEDICINE LIMITED

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The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on May 13, 2016.

A handwritten signature in black ink, appearing to read 'Derek Hill', is written over a horizontal line.

Derek Hill  
Director

The notes on pages 5 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 Going concern**

The company relies on IXICO Technologies Limited, its immediate parent company and controlling party (business combination set out in note 14 of the financial statements), for continued support. IXICO Technologies Limited has formally confirmed that it will continue to support the company for the foreseeable future. IXICO Technologies Limited has confirmed that it will not call in any future intercompany balance for a period of at least twelve months from the date of these financial statements being signed.

**1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of commissions received.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	33% Straight line
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**1.5 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**1.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

**1.7 Research and development**

Research and development expenditure is written off in the year in which it is incurred in respect of expenditure where new scientific or technical knowledge is obtained.

Expenditure on development activities, whereby findings are applied for the production of new or substantially improved products and processes, is capitalised if the product or process is technically or commercially feasible and the company has sufficient resources to complete development. Amortisation is charged to the profit and loss account on a straight line basis over the useful economic life of the activity.

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OPTIMAL MEDICINE LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015**

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**2. LOSS**

The loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the company	772	763
Research and development expenditure written off	<u>-</u>	<u>41,663</u>

**3. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Aggregate remuneration	<u>76,330</u>	<u>19,219</u>

**4. SHARE BASED PAYMENTS**

The company set up a share option scheme on 23 April 2013 (grant date). One employee was granted share options and the total number of shares to be granted under that option totals 963. The option can be exercised from 18 December 2012 or at any time within a calendar year. If the individual leaves the company before 18 December 2022, their option will lapse, during the year the employee was transferred to a related company and a deed was put in place so that the option still stands. The exercise price is £60 per share.

**5. TAXATION**

	2015 £	2014 £
UK corporation tax charge/(credit) on loss for the year	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax debtor included in these accounts is made up of research and development tax claims received of £nil (2014: £nil).

**Factors that may affect future tax charges**

A deferred tax asset totalling £428,231 has not been recognised in respect of revenue losses as a profit is not expected to be made to offset these losses in the foreseeable future, a deferred tax liability amounting to £347 for capital allowances in excess of depreciation has not been provided.

OPTIMAL MEDICINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

6. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>Cost</b>	
At September 1, 2014	1,234
Additions	1,683
Disposals	-
At August 31, 2015	<u>2,917</u>
<b>Depreciation</b>	
At September 1, 2014	411
Charge for the year	772
On disposals	-
At August 31, 2015	<u>1,183</u>
<b>Net book value</b>	
At August 31, 2015	<u>1,734</u>
At August 31, 2014	<u>823</u>

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At September 1, 2014 and August 31, 2015	<u>41,145</u>
<b>Net book value</b>	
At August 31, 2015	<u>41,145</u>
At August 31, 2014	<u>41,145</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
OM France SARL (Inc: France)	Ordinary	100%
OM Inc (Inc: USA)	Common stock	100%

OPTIMAL MEDICINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

7. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at August 31, 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
OM France SARL (Inc: France)	47,180	2,979
OM Inc (Inc: USA)	<u>(330,683)</u>	<u>(296,727)</u>

8. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	268,327	71,013
Taxation and social security	8,135	17,664
Corporation tax	-	62,444
Prepayments	995	876
Other debtors	1,890	400
	<u>279,347</u>	<u>152,397</u>

9. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Trade creditors	8,056	3,539
Amounts owed to group undertakings	-	-
Other taxation and social security	6,150	2,200
Accruals	7,475	10,515
Other creditors	1,768	5,737
	<u>23,449</u>	<u>21,991</u>

10. CREDITORS:

Amounts falling due after more than one year

	2015 £	2014 £
Convertible loan agreement	<u>-</u>	<u>-</u>

On 7 January 2013 a convertible loan agreement was issued by IP2IPO Limited for £904,980, on 30 June 2014 this loan agreement was converted in to ordinary shares at £60 per share.

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OPTIMAL MEDICINE LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015**

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**11. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
10,000 (2014 – 10,000) Ordinary shares of £0.01 each	100	100
8,601- A Ordinary shares of £0.001 each	9	9
25,000- B Ordinary shares of £0.001 each	25	25
34,400- C Ordinary shares of £0.001 each	34	34
1,001 (2014 - 1,001) Incentive shares of £0.01 each	10	10
	<u>178</u>	<u>178</u>

During 2014, 8,601 A Ordinary shares were issued, the nominal value of these shares is £0.001 and the consideration received was £35 per share.

During 2014, 25,000 B Ordinary shares were issued, the nominal value of these shares is £0.001 and the consideration received was £60 per share.

During 2014, 34,400 C Ordinary shares were issued, the nominal value of these shares is £0.001 and the consideration received was £35 per share.

**12. RESERVES**

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At September 1, 2014	2,997,739	225	(1,551,101)
Loss for the financial year			(856,136)
	<u>2,997,739</u>	<u>225</u>	<u>(2,407,237)</u>
At August 31, 2015			

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OPTIMAL MEDICINE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

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**13. RELATED PARTY TRANSACTIONS**

The company operated current accounts with Directors and were included in Other Creditors. These accounts were interest free, repayable on demand and amount to £nil (2014: £90) due to Dr J C Munro and £nil (2014: £1,400) due to Mr R N McBurney. These accounts were fully paid up during the year and amount to £nil (2014: £1,490).

In 2013 IP2IPO limited, a shareholder of the company, loaned the company £904,980 of interest free convertible loan stock. During 2014 the loan has been converted to share capital, IP Group Plc is the parent company of IP2IPO Limited.

IP2IPO limited has invoiced the company during the year £8,847 (2014: £1,913) for board member expenses during the year.

Techtran Group, an associated company of IP Group plc, has invoiced the company £540 (2014: £5,485) during the year for business support services, included in trade creditors are amounts owed to the company of £nil (2014: £629).

Empiricom Technologies Limited, an associated company of IP Group PLC, and has invoiced the company during the year £nil (2014: £35,554) for software development.

The company owns 100% of the share capital of OM France SARL, a French subsidiary, OM France invoiced the equivalent of £172,948 (2014: £163,737) for management recharges during the year. At the Balance Sheet date OM France owed Optimal Medicine Ltd £63,833 (2014: £12,243) some of this balance relates to a loan made to OM France SARL.

The company owns 100% of Optimal Medicine Inc, a company incorporated in the US, Optimal Medicine Inc invoiced Optimal Medicine Ltd £138,321 (2014: £76,264) for R&D services during the year, Optimal Medicine Limited charged sales commissions of £1,264 (2014: £1,662) to Optimal Medicine Inc. At the Balance Sheet date Optimal Medicine Inc owed Optimal Medicine Ltd £332,160 (2014: £58,770).

Janet Munro, former CEO, is resident in France and is paid by the company's French subsidiary, OM France SARL until March 2016. Janet is now Senior Vice President of Clinical Science for IXICO Technologies Limited, the company's immediate parent company and controlling party.

**14. POST BALANCE SHEET EVENT**

**Business combination: IXICO Technologies Limited**

On 8 December 2015 IXICO Technologies Limited, whose immediate and ultimate parent company and controlling party is IXICO plc, acquired the entire issued share capital of Optimal Medicine Limited with the company becoming a subsidiary undertaking of IXICO Technologies Limited. Further details of the transaction is available in IXICO plc consolidated financial statements for the year ended 30 September 2015.

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OPTIMAL MEDICINE LIMITED

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**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
YEAR ENDED AUGUST 31, 2015**

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	<b>Page</b>	<b>2015 £</b>	<b>2014 £</b>
<b>TURNOVER</b>	12	<b>1,264</b>	<b>1,663</b>
Research and development	12	<b>(96,559)</b>	<b>(187,035)</b>
		<hr/>	<hr/>
<b>GROSS LOSS</b>		<b>(95,295)</b>	<b>(185,372)</b>
<b>LESS: OVERHEADS</b>			
Administration expenses	12	<b>(760,841)</b>	<b>(513,794)</b>
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR</b>		<b><u>(856,136)</u></b>	<b><u>(699,166)</u></b>

OPTIMAL MEDICINE LIMITED

SCHEDULE TO THE DETAILED TRADING ACCOUNTS  
YEAR ENDED AUGUST 31, 2015

	2015 £	2014 £
<b>TURNOVER</b>		
Income	<u>1,264</u>	<u>1,663</u>
	2015 £	2014 £
<b>RESEARCH AND DEVELOPMENT</b>		
Wages and salaries	93,198	135,577
Consumables	174	3,889
Research and development	-	41,663
Patent and IP costs	3,187	1,215
Student and internship costs	-	864
R & D consultancy fees	-	3,827
	<u>96,559</u>	<u>187,035</u>
	2015 £	2014 £
<b>ADMINISTRATION EXPENSES</b>		
Directors salaries	76,330	19,219
Staff salaries	58,916	-
Staff private health insurance	-	297
Recruitment	12,000	-
Entertainment	363	145
Hotels, travel and subsistence	51,717	14,568
Consultancy	43,608	24,389
Telephone and fax	1,656	1,687
Computer costs	4,070	7,008
General office expenses	85	4,774
Advertising and promotion	64,552	60,207
Business support costs	343	9,163
Trade subscriptions	186	123
Legal and professional	82,534	64,342
Accountancy fees	33,745	40,412
Bank charges	1,503	1,724
Difference on foreign exchange	1,905	(5,627)
Sundry expenses	781	1,072
Rent - non-operating leases	5,663	400
Insurances	8,748	28,184
Repairs and maintenance	95	943
Depreciation - computer equipment	772	763
Management charges	311,269	240,001
	<u>760,841</u>	<u>513,794</u>