

Registered number: 07581310

IGENE LONDON LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

THURSDAY



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IGENE LONDON LIMITED

COMPANY INFORMATION

Directors	Mathavan Chandran Shahril Anas Bin Hasan Aziz Chee Chuen Lai (appointed 10 April 2018) Mark Victor Rozario (resigned 1 August 2017) Mohamad Abdul Naser Md. Jaafar (resigned 1 August 2017) Anu Sheela Themudu (resigned 26 March 2018)
Registered number	07581310
Registered office	Waverley House 7-12 Noel Street London W1F 8GQ
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditor 7-12 Noel Street London W1F 8GQ

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IGENE LONDON LIMITED
REGISTERED NUMBER: 07581310

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	1,752,083	2,033,877
		<u>1,752,083</u>	<u>2,033,877</u>
Current assets			
Debtors: amounts falling due within one year	6	47,578	63,283
Bank and cash balances		298,211	6,702
		<u>345,789</u>	<u>69,985</u>
Creditors: amounts falling due within one year	7	(7,451,952)	(5,937,503)
Net current liabilities		<u>(7,106,163)</u>	<u>(5,867,518)</u>
Total assets less current liabilities		<u>(5,354,080)</u>	<u>(3,833,641)</u>
Net liabilities		<u>(5,354,080)</u>	<u>(3,833,641)</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		(5,354,082)	(3,833,643)
Shareholders deficit		<u>(5,354,080)</u>	<u>(3,833,641)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



26 June 2018

Mathavan Chandran
Director

The notes on pages 2 to 9 form part of these financial statements.

IGENE LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

iGene London Limited is a private company, limited by shares, domiciled in England and Wales, registration number 07581310. The registered office is Waverley House, 7-12 Noel Street, London, W1F8GQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The date of transition of the company to FRS 102 was 1 July 2015. The last financial statements prepared under old UK GAAP were for the year ended 30 June 2016. The only transitional adjustment on the financial statements is the reclassification of balances owed to group undertakings from due in more than 1 year to due within 1 year. This has no impact on the profit and loss.

The following principal accounting policies have been applied:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.2 Going concern

The business will require additional funding so that the company is able to meet its liabilities as they fall due in the 12 months following the signature of these accounts. The parent company's majority shareholder has provided written confirmation that they will provide support and funding to ensure that the company is able to continue for a period of at least 12 months from the approval of these financial statements. Based on current cash projections, the company will need more funding before March 2019. The directors are actively pursuing additional funding options to support its strategic development initiatives for the company and the wider group and are confident the required funding will be obtained. Post year end, the company has received additional funding of £500k from the parent company, of which £71k is yet to be drawn down on. Management are actively monitoring cashflows. As part of this, they have identified areas where spending can be reduced, for example by leasing equipment rather than buying it outright. There is also expected to be a debt for equity swap in respect of the amount due to group undertakings at the year end. This is expected to take place post year end, although this has not yet been executed at the date of approving these financial statements.

The directors are also focusing their efforts on increasing turnover to generate profits and cash as they acknowledge that the company has made losses since its incorporation. Management continue to assess the performance of the current Digital Autopsy Facilities and will take steps to reduce fixed costs, should a facility not be profitable. The company has been in operation since 2011 and the directors believe that although growth to date has been slow, there is potential for the company to increase its operations significantly as the concept of Digital Autopsies is considered to be the future of post-mortem examination. The directors are also in the process of negotiating a number of new contracts with local authorities across the country. Post year end, the Preston facility has been opened and revenues generated from this new facility are starting to increase.

The directors are committed to the company and have no reason to believe that additional funding will not be obtained so that the company will be able to meet its liabilities as they fall due in the 12 months following the signature of these accounts. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from providing a service is recognised at the point the digital autopsy process is initiated.

2.4 Tangible fixed assets

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the life of the lease
Fixtures and fittings	- 10% straight line
Office equipment	- 33.33% straight line
Medical equipment	- 33.33% straight line

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

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

2.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.6 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.8 Pensions

Defined contribution pension plan

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

The Company makes certain estimates and assumptions regarding the future. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these financial statements, the directors have had to make the following key judgments in accounting policies:

Tangible fixed assets - Depreciation

Fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and product life cycles are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recognition of deferred tax asset

Management is required to assess whether it is appropriate to recognise a deferred tax asset relating to taxable losses available to the company. The recognition of deferred tax asset is based upon whether it is more likely that not that sufficient and suitable taxable profits will be available in the future against which the reversal of losses and other deductions can be deducted.

To determine the future taxable profits, reference is made to the latest available forecasts. Therefore; this involves management judgement regarding the future financial position of the company in which a deferred tax asset has been recognised.

4. Employees

The average monthly number of employees, including directors, during the year was 28 (2016 - 30).

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Medical equipment £	Total £
Cost or valuation					
At 1 July 2016	1,376,011	12,921	415,319	1,360,584	3,164,835
Additions	3,000	180	8,502	268,099	279,781
At 30 June 2017	1,379,011	13,101	423,821	1,628,683	3,444,616
Depreciation					
At 1 July 2016	235,085	2,882	297,310	595,681	1,130,958
Charge for the year on owned assets	114,810	1,296	101,738	325,541	543,385
Impairment charge	18,190	-	-	-	18,190
At 30 June 2017	368,085	4,178	399,048	921,222	1,692,533
Net book value					
At 30 June 2017	1,010,926	8,923	24,773	707,461	1,752,083
At 30 June 2016	1,140,926	10,039	118,009	764,903	2,033,877

6. Debtors

	2017 £	2016 £
Trade debtors	21,524	2,100
Other debtors	5,966	41,758
Prepayments and accrued income	20,088	19,425
	47,578	63,283

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	248,893	296,112
Amounts owed to group undertakings	7,082,148	5,489,937
Other taxation and social security	26,742	63,474
Other creditors	521	44,236
Accruals and deferred income	93,648	43,744
	<u>7,451,952</u>	<u>5,937,503</u>

Amounts owed to group undertakings are unsecured interest free and repayable on demand.

8. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
2 Ordinary shares shares of £1 each	<u>2</u>	<u>2</u>

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,814 (2016 - £913). Contributions totalling £Nil (2016 - £528) were payable to the fund at the balance sheet date and are included in creditors

10. Commitments under operating leases

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	42,812	42,812
Later than 1 year and not later than 5 years	134,160	145,872
Later than 5 years	60,888	91,988
	<u>237,860</u>	<u>280,672</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Related party transactions

The company has taken the exemption under FRS 102, section 33 Related Party Disclosures paragraph 33.1A, whereby the company is not required to disclose transactions with other wholly owned subsidiaries.

During the year, the directors were not remunerated for any of their services provided.

12. Controlling party

iGene Sdn Bhd, a company incorporated in Malaysia, is the company's immediate and ultimate parent undertaking. Consolidated group accounts can be obtained from MINES Waterfront Business Park, No.3, JalanTasik, MINES Resort City, 43300 Selangor, Malaysia.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2017 was unqualified.

In their report, the auditors emphasised that following matter without qualifying their report:

We draw attention to note 2.2 in the financial statements, which indicates that the company has been heavily loss making since incorporation and is reliant on funding from its parent company's shareholders. Furthermore, it is anticipated that additional funding may be required if the company does not generate the forecasted revenues over the next 12 months from approval of these financial statements. At present, the majority shareholder of the company's parent company has only committed an additional £71k, however, they have also confirmed that they will provide additional funding, if necessary, to ensure the company can meet its liabilities as they fall due for a period of at least 12 months from the signing of these financial statements and have confirmed that they have sufficient resources to do so if needed. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed by Gerard Collins (Senior statutory auditor) on behalf of Ecovis Wingrave Yeats LLP.