RNS ANNOUNCEMENT: The information communicated in this announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

Embargoed: 7.00 a.m.
8 September 2020

Phimedix Plc
("Phimedix" or "the Company")

Final Results for the year ended 31 March 2020 and AIM Rule 15 Update

Phimedix (AIM: PHM) presents its Final Results for the year ended 31 March 2020 and an update on the Company's status as an AIM Rule 15 company.

Summary

This has been a transformational year for the Company. Following the well documented issues with the regulatory environment in China and the resulting significant adverse impact on the trading results of the main subsidiary, the Company agreed with its principal shareholders to dispose of Masterpiece Enterprises Limited "Masterpiece") to them, together with a share buyback, and raise £353K of new funds by way of a placing of new shares in March 2020.

AIM Rule 15 update

As a result of the disposal of Masterpiece on 11 March 2020, the Company became an AIM Rule 15 Cash Shell.

Since that time the Board has been looking to source an acquisition or acquisitions which would constitute a reverse takeover under the Aim Rules and the directors have identified and had early stage discussions with a number of potential candidates. As part of an update to the market on 7 May 2020, the Board was of the view that, even in the current environment, there were potential acquisition opportunities in the technology and life sciences sectors in particular and had decided to focus efforts initially in these two areas. Since then the Board has also been introduced to companies in other sectors which were believed had some merit. As a result, the Board has now decided not to limit our search to these two specific sectors.

At this time, early stage discussions continue to progress, but there can be no guarantee that these discussions will conclude successfully and the Directors do not expect there will be any further developments before trading in the Company's shares is suspended under AIM Rule 15.

The London Stock Exchange is expected to suspend trading in the Company's ordinary shares on AIM, pursuant to Rule 15 of the AIM Rules, at 7.30 am on 14 September 2020. In the event that no reverse takeover is completed in the six months after that date, the London Stock Exchange will cancel the admission of the Company's ordinary shares to trading on AIM.

Final Results (Note: all figures are rounded)

The Company has reported a total comprehensive loss of £204K for the year (2019: loss £6,966K). This included the costs of disposal of Masterpiece, the restructuring of the Company and the placing of new shares.

The Company also reported a gain on disposal of Masterpiece Enterprises Limited of £8K.

The cash position at the year-end was £348K (2019: £nil), following the placing of new shares. The Board believes the Company has sufficient funds to undertake its search for an acquisition target in the timelines available.

Outlook

The Covid-19 outbreak has, unfortunately, disrupted the Board's activities to source an acquisition, or acquisitions that would constitute a reverse takeover under the AIM Rules, as required by AIM Rule 15. As is stated above, that search continues and the Board will keep shareholders informed on progress as appropriate.

The Annual Report and Accounts, together with the Notice of Annual General Meeting, will be made available on the Company's website www.phimedix.com and posted to shareholders shortly; at which time a further announcement will be made.

Phimedix Plc
Nicholas Nelson, Director
Ajay Rajpal, Director

Please email any enquiries to nelson@nexfin.org.uk

SPARK Advisory Partners Limited (Nominated Adviser)
Mark Brady or Neil Baldwin
www.sparkadvisorypartners.com
+44 (0) 203 368 3550

SI Capital Ltd (Broker)
Nick Emerson
www.sicapital.co.uk
+44 (0)1483 413500

Statement of Comprehensive Income
For the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Continuing operations			
Administrative expenses	**6**	(204)	(196)
Impairment losses	**6**	-	(6,770)
Loss before tax		**(204)**	**(6,966)**
Income tax expense	**7**	-	-
Loss for the year		**(204)**	**(6,966)**
Other comprehensive income			
Foreign exchange differences		-	847
Loss and total comprehensive income for the year		(204)	(6,119)
Loss and total comprehensive income for the year attributable to the owners of the Company		(204)	(6,119)

Loss per share		**2020 £**	**2019 £**
Basic and diluted	**8**	(0.002)	(0.057)

The notes are an integral part of these financial statements.

Statement of Financial Position
As at 31 March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Non-Current Assets			
Investment in subsidiaries	**9**	-	95
Current Assets			
Prepayments and other receivables	**10**	8	4
Cash and cash equivalents		348	-
Total Assets		**356**	**99**
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	**12**	226	1,220
Share premium		4,186	3,871
Capital redemption reserve		925	-
Share based payment reserve		-	54
Foreign exchange reserve		-	628
Accumulated loss		(5,219)	(5,697)
Total Equity		**118**	**76**
Current Liabilities			
Accrued liabilities and other payables	**11**	238	23
Total Liabilities		**238**	**23**
Total Equity and Liabilities		**356**	**99**

The financial statements were approved by the Board of directors on 7 September 2020. They were signed on its behalf by:

Nicholas Nelson
Director

The notes are an integral part of these financial statements.

Statement of Cash Flows

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss for the year before tax		(204)	(6,966)
Adjustments for:			
Impairment losses		-	6,770
Gain on sale of subsidiary		(8)	-
Foreign exchange differences		-	(12)
		(212)	(208)
Changes in working capital:			
(Increase)/decrease in other receivables		(3)	206
Increase in accrued liabilities and other payables		215	2
Net cash flow from operating activities		-	-
Cash flows from investing activities			
Sale of shares in Masterpiece		103	-
Net cash flow from investing activities		103	-
Cash flows from financing activities			
Buy back of shares		(103)	-
Net proceeds from the issue of ordinary shares		348	-
Net cash flow from financing activities		245	-
Net increase in cash and cash equivalents		**348**	**-**
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at the end of the year		**348**	**-**

Statement of Changes in Equity

	Share Capital	Share Premium	Capital Redemption Reserve	Accumulated Loss	Share Based Payment Reserve	Foreign Exchange Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 March 2018	**1,220**	**3,871**	-	**1,269**	**54**	**(219)**	**6,195**
Loss for the year	-	-	-	(6,966)	-	-	(6,966)
Foreign exchange gain	-	-	-	-	-	847	847
As at 31 March 2019	**1,220**	**3,871**	**-**	**(5,697)**	**54**	**628**	**76**
Total comprehensive income for the year	-	-	-	(204)	-	-	(204)
Share based payment movement	-	-	-	54	(54)	-	-
Foreign exchange reserve movements	-	-	-	628	-	(628)	-
Share placing and buyback	(994)	315	925	-	-	-	246
As at 31 March 2020	**226**	**4,186**	**925**	**(5,219)**	**-**	**-**	**118**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of expenses.

Accumulated loss represents the cumulative losses of the Company attributable to owners of the Company.

Capital redemption reserve represents the share capital subject to the buyback of shares, net of consideration paid.

Share based payment reserve is the amount transferred in accordance with IFRS 2.

Foreign exchange reserve represents historic foreign exchange differences on consolidation. In the year ended 31 March 2020 this amount was transferred to accumulated loss following the disposal of the overseas subsidiary.

Notes to the Financial Statements

1. General information

Phimedix Plc is a public limited company incorporated in England and Wales on 9 October 2013 under the Companies Act 2006. It was listed on the AIM market on 20 June 2014. The address of the registered office is given at the start of the annual report. The Company's principal activity is that of an AIM Rule 15 Cash Shell. Further details are set out in the Director's Statement in the Report and Accounts.

2. Basis of preparation and significant accounting policies

The financial statements of Phimedix Plc have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern
These financial statements have been prepared on the assumption that the Company is a going concern.

When assessing the foreseeable future, the directors have looked at a period of at least twelve months from the date of approval of this report. The Company raised £348K net of placing costs following the disposal of Masterpiece Enterprises Limited and the placing of new ordinary shares. These funds are deemed to be sufficient to make the above assessment.

After making enquiries, the directors firmly believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

New and amended standards adopted by the Company
There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2019 that would be expected to have a material impact on the Company.
The new IFRSs adopted during the year areas as follows:

- IFRS 16 – Leases
- Amendments to IFRIC 23 – Uncertainty over income tax treatments

Standards, interpretations and amendments to published standards that are not yet effective.
The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2019 and have not been early adopted:

Reference	Title	Summary	Application date of standard	Application date of Company

IFRS 17	Insurance Contracts	Applies a model that combines a current balance sheet measurement of insurance contracts with recognition of profit over the period that services are provided.	Periods commencing on or after 1 January 2021	1 April 2021
IAS 23	Borrowing Costs	Annual Improvements 2015-2017 Cycle	Periods commencing on or after 1 January 2020	1 April 2020

The directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of the Company.

(a)Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

(b)Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such a reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(c)Financial instruments

Financial assets and financial liabilities are initially classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows expire, or the Company no longer retains the significant risks or rewards of ownership of the financial asset. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Financial assets are classified dependent on the Company's business model for managing the financial and the cash flow characteristics of the asset. Financial liabilities are classified and measured at amortised cost except for trading liabilities, or where designated at original recognition to achieve more relevant presentation. The Company classifies its financial assets and liabilities into the following categories:

Financial assets at amortised cost

The Company's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Impairment of trade and other receivables

In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 simplified approach to measuring expected credit losses arising from trade and other receivables, being a lifetime expected credit loss. This is calculated based on an evaluation of our historic experience plus an adjustment based on our judgement of whether this historic experience is likely reflective of our view of the future at the balance sheet date. In the previous year the incurred loss model is used to calculate the impairment provision.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise loan liabilities, including convertible loan note liability elements, and trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method. All convertible loan notes are held at amortised cost and no election has been made to hold them as fair value through profit and loss.

Financial assets at fair value through profit and loss

Financial assets at fair value are recognised and measured at fair value using the most recent available market price with gains and losses recognised immediately in the profit and loss.

The fair value measurement of the Company's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy').

Level 1 – Quoted prices in active markets
Level 2 – Observable direct or indirect inputs other than Level 1 inputs
Level 3 – Inputs that are not based on observable market

Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the statement of financial position date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the statement of financial position date and before the financial statements are authorised for issue.

(d) Borrowing costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management, as well as client funds held with the

Funds held with the Company's solicitors are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material. 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 the 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.

When the effect of discounting is material, the amount recognised for a provision is the present value at the reporting date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of comprehensive income.

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

(h) Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

(i) Foreign currencies

In preparing the financial statements of each individual Company entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

The Company has changed its accounting policy in March 2020, such that the presentational currency was aligned with the functional currency (GBP). In the prior years, the Company presented its financial statements in Hong Kong dollars ("HKD"), as the main trading operations were based in Hong Kong/China and HKD was the reporting currency. Following the disposal of the subsidiary in March 2020, the Company has used GBP in the financial statements in the year ended 31 March 2020. As a result of this change, the Company has restated the comparative periods as at 31 March 2018 and 31 March 2019 as follows:

	2019	**2018**
	£'000	**£'000**
Assets		
Non-Current Assets		
Investment in subsidiaries	95	2,316
Current Assets		
Prepayments and other receivables	4	3,901
Total Assets	**99**	**6,217**

Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	1,220	1,220
Share premium	3,871	3,871
Share based payment reserve	54	54
Foreign exchange reserve	628	(219)
Accumulated loss	(5,697)	1,269
Total Equity	**76**	**6,195**
Current Liabilities		
Accrued liabilities and other payables	23	22
Total Liabilities	**23**	**22**
Total Equity and Liabilities	**99**	**6,217**

(j) Employee benefits

(i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Company of non-monetary benefits are accrued in the period in which employees of the Company render the associated services. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material outflow of resources from the Company.

(k) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions. There is currently one segment for the Company, as a Rule 15 investing company.

(l) Warrants

Warrants issued by the Company are initially assessed to determine whether they meet the criteria to be classified as share-based payments in accordance with IFRS 2. Where this is applicable, the fair value of the warrants is calculated, and this amount is recognised as an expense in the Statement of Comprehensive Income over the vesting period. Where warrants do not meet the classification criteria in IFRS 2, the warrants are accounted for as financing transactions with any equity or debt elements separately identified and recognised.

3. 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.

In the application of the Company's accounting policies, which are described above, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

(a) Impairment of receivables

The Company's management reviews receivables on a regular basis to determine if any provision for impairment is necessary. The policy for the impairment of receivables of the Company is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding amounts, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment may be required.

(b) Income Taxes

The Company was previously subject to income taxes in Hong Kong and Macau. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made. The Company intends to register for UK tax following the restructuring in March 2020.

4. Personnel expenses and staff numbers (excluding directors)

There were no employees in the Company, excluding directors, for the year ended 31 March 2020 (2019: nil).

5. Directors' remuneration

	2020	2020	2020	2019
	Salaries and fees	Share based payment charge	Total	Total
	£'000	£'000	£'000	£'000
Wenjie Zhou	-	-	-	-
Jianfeng Li	-	-	-	-
Chor Wei Ong	3	-	3	13
Chin Phang Kwok	3	-	3	13
Peter George Greenhalgh	9	-	9	13
Ajay Kumar Rajpal*	12	-	12	13
Nicholas Nelson	1	-	1	-
Total	**28**	**-**	**28**	**52**

* Mr Rajpal is paid through NAS Corporate Services Ltd, a company controlled by him.

NAS Corporate Services Ltd, a company controlled by Ajay Rajpal, charged fees and expenses of £19K to Masterpiece Enterprises Limited in relation to the restructuring of Masterpiece Enterprises Limited and its subsidiaries.

6. Expenses – analysis by nature

	2020	2019
	£'000	£'000

Auditor's remuneration for audit services	11	21
Directors fees	28	52
Legal & professional fees	191	123
Other expenses	4	
Intercompany loan write-back	(22)	-
Gain on disposal	(8)	-
Impairment losses	-	6,770
Total administrative expenses	204	6,966

7. Taxation

The charge for the year can be reconciled to the loss before taxation per the statement of comprehensive income as follows:

	2020 £'000	2019 £'000
Loss before taxation	(204)	(6,966)
Loss at standard rate of Hong Kong corporation tax of 16.5% (2019: 16.5%)	(34)	(1,149)
Unutilised tax losses and other adjustments	34	1,149
Total tax charge in the year	-	-

The tax losses can be carried forward to offset against the taxable profits of subsequent years for up to five years from the year in which they were incurred or there is no restriction on their expiry, depending on the tax jurisdiction concerned.

8. Loss per share

Loss per share data is based on the Company profit or loss for the year and the weighted average number of shares in issue.

	2020 £'000	2019 £'000
Loss for the year from:		
Continuing operations used in the calculation of basic and diluted earnings per share from continuing operations	(204)	(6,966)
Loss for the year attributable to owners of Company	(204)	(6,966)
Weighted average number of ordinary shares for the purposes of : basic and diluted earnings per share (000's)	116,838	122,010

	2020 £	2019 £
Basic and diluted earnings per share	(0.002)	(0.057)

9. Investment in Subsidiaries

	2020 £'000	2019 £'000
Cost		
At 1 April	2,316	2,316
Disposal	(2,316)	-
At 31 March	-	2,316
Impairment		
At 1 April	2,221	-
Addition	-	2,221
Eliminated on disposal	(2,221)	-
At 31 March	-	2,221
Carrying amount		
At 31 March	-	95

10. Other receivables

	2020 £'000	2019 £'000
Prepayments	8	4
	8	4

11. Accrued liabilities and other payables

	2020 £'000	2019 £'000
Accrued expenses	11	23
Other payables	227	-

	238	23

12. Share capital

Ordinary Shares	**Class**	**Nominal Value**	**2020 £**	**2019 £**
Allotted, issued and fully paid				
34,400,481 (2019: 122,020,000)	Ordinary	£0.001 (2019: £0.01)	34,400	1,220,100

Deferred Shares	**Class**	**Nominal Value**	**2020 £**	**2019 £**
Allotted, issued and fully paid				
19,250,000 (2019: nil)	Deferred	£0.009975	192,019	-
TOTAL SHARE CAPITAL			226,419	1,220,100

Capital Redemption Reserve	**Class**	**Nominal Value**	**2020 £**	**2019 £**
Share buyback				
102,760,000	Ordinary	£0.000025	2,569	-
102,760,000	Deferred	£0.009975	1,025,031	-
Funded by new issue			(102,760)	-
TOTAL			924,840	-

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

On 9 March 2020, the following changes to the ordinary shares took place:

1. 122,010,000 ordinary shares of £0.01 were sub-divided into 122,010,000 new ordinary shares of £0.000025 and 122,010,000 new deferred shares of £0.009975

2. 1,356,769,231 new ordinary shares were issued at a price of £0.00026
3. The Company completed a buyback and cancellation of 102,760,000 new ordinary shares and 102,760,000 new deferred shares
4. The remaining 1,376,019,231 new ordinary shares of £0.000025 were consolidated on the basis of a 40/1 consolidation, resulting in 34,400,481 new ordinary shares of £0.001

13. Related-party transactions

During the year, the Company entered into the following transactions with related parties:

Subscription of shares by Nicholas Nelson	678,365 shares
Issue of warrants to Nicholas Nelson	339,182 warrants

14. Lease commitments

The Company has no commitments for leases with independent third parties in respect of rented premises and staff quarters.

15. Financial instruments

Financial risk management objectives and policies

The Company's major financial instruments include trade and other receivables, amounts due to/from related companies, bank balances and cash, trade and other payables, and amounts due to a director. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign exchange risk), credit risk, interest rate risk, liquidity risk and capital management risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The policies for managing these risks are summarised below.

It is the Company's policy not to trade in derivative contracts.

(a) Market risk

Foreign currency risk

Currency risk is the risk that the holding of foreign currencies will affect the Company's position as a result of a change in foreign currency exchange rates. The Company has no significant foreign currency risk as the Company's financial assets and liabilities are denominated in the currency of the Company. Accordingly, no quantitative market risk disclosures or sensitivity analysis for currency risk have been prepared.

(b) Cash flow and fair value interest rate risk

The Company currently does not have any interest-bearing borrowings or financial instruments or any interest rate hedging policy. The directors monitor the Company's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise. Accordingly, no quantitative market risk disclosures or sensitivity analysis for interest rate risk have been prepared

(c) Liquidity risks

The Company manages its liquidity risk by maintaining sufficient cash, by monitoring the liquidity requirements in the short and longer term.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Management monitors the Company's liquidity reserve, comprising cash and cash equivalents on the basis of expected cash flows.

(c) Liquidity risks (continued)

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

2020	On demand or not later than 1 year £'000	Later than 1 year and not later than 5 years £'000
Trade and other payables	227	-
	227	-

2019	On demand or not later than 1 year £'000	Later than 1 year and not later than 5 years £'000
Trade and other payables	23	-
	23	-

(d) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

The Company has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Company performs periodic credit evaluations of its customers. In this regard, the director of the Company considers that the Company's credit risk is significantly reduced.

(e) Financial instruments by category

The following table sets out the financial instruments as at the statement of balance sheet date:

	2020 £'000	2019 £'000
Financial assets:		
Loans and receivables:		
Trade receivables	-	-
Deposits and other receivables	-	-
Bank balances and cash		

- Client account funds	348	-
	348	-

Financial liabilities:		
Financial liabilities measured at amortised cost:		
Accrued liabilities and other payables	238	23
	238	23

(f) Capital management risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies, and processes during the years of 2019 and 2020.

16. Fair value of financial instruments

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not currently have any derivative or other financial instruments measured at fair value through profit and loss and the carrying amounts of financial instruments in the balance sheet approximated their fair values.

17. Controlling Party

There is no ultimate controlling party.

18. Share options

On 16 June 2014 the Company granted options on 525,000 ordinary shares to certain directors. The options are exercisable at £0.08 per share after the first anniversary of Admission, provided that the director remains in office until then.

	Number of options	Exercise price	Weighted average remaining contractual life
At 31 March 2018	525,000	£0.08	5 years
Options issued in the period	-	-	-
At 31 March 2019	525,000	£0.08	5 years

Options issued in the period	-	-	-
Options expired in the period	(525,000)	-	-
At 31 March 2020	-	-	-

A charge of £ nil (2019: £ nil) has been recognised for the share-based payments during the year.

19. Warrants

On 16 June 2014, the Company granted to ZAI warrants to subscribe for 2,917,500 Ordinary shares at an issue price of £0.08 at any time in the period to 16 June 2019. These warrants have now expired.

On 11 March 2020, the Company granted warrants to participants in the new placing to subscribe for 16,959,615 Ordinary shares at an issue price of £0.001 at any time in the period to 11 March 2021.

	Number of warrants	Exercise price	Weighted average remaining contractual life
At 31 March 2018	2,917,500	£0.08	5 years
Warrants issued in the period	-	-	-
At 31 March 2019	2,917,500	£0.08	5 years
Warrants issued in the period	16,959,615	£0.001	1 year
Warrants expired in the period	(2,917,500)	-	-
At 31 March 2020	16,959,615	£0.001	1 year

The fair value of the new warrants issued in the current period is £ 0.05 and was derived using the Black Scholes model. The following assumptions were used in the calculations:

Bid price discount	20%
Risk-free rate	1.04%
Volatility	50%
Expected life	1 years

Expected volatility is based on a conservative estimate for a newly listed entity. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A charge of £ nil (2019: £ nil) has been recognised for the share-based payments in the period as the warrants do not meet the criteria as set out in IFRS2.

20. Events subsequent to 31 March 2020

There were no subsequent events.

~ ENDS ~