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The Company and its Directors, whose names appear on page 5 of this document, accept individual and collective responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. In connection with this document, no person is authorised to give any information or to make any representations other than as contained in this document and if given or made, such information or representation must not be relied upon as having been authorised. Under no circumstances should the information contained in this document be relied upon as remaining accurate at any time after Admission.

Each member of the Concert Party accepts responsibility for the information contained in this document relating to themselves or otherwise expressly referable to them. To the best of the knowledge and belief of each member or the Concert Party (who has taken reasonable care to ensure such is the case) the information contained in this Document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading of the Enlarged Issued Share Capital on AIM. This document does not constitute an offer to the public in accordance with section 85 FSMA and is not a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, approved by the FSA. A copy of this document has been delivered to the London Stock Exchange as an admission document in respect of the Ordinary Shares but a copy has not been filed with the FSA. The London Stock Exchange has not itself examined or approved the contents of this document. Application has been made for the Enlarged Issued Share Capital to be admitted to trading on AIM and it is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 12 February 2010.

The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

Oxford Nutrascience Group PLC

(Incorporated and registered in England and Wales under Companies Act 2006 with registered number 07036758)

**Placing of 62,857,148 new Ordinary Shares at 1.75p per share
and
Admission to trading on AIM**

Nominated Adviser
ZAI Corporate Finance Ltd

Broker
Zimmerman Adams International Limited

Issued and fully paid up share capital immediately following Admission
£464,023.80 divided into 464,023,798 Ordinary Shares

The Placing Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

ZAI Corporate Finance Ltd, which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser to the Company in connection with the arrangements described in this document and will not be providing advice to any other person in relation to the Placing or Admission or any other transaction or arrangement referred to in this document. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made

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Zimmerman Adams International Limited, which is authorised and regulated by the FSA and a member of the London Stock Exchange, is acting as broker to the Company. Zimmerman Adams International Limited's responsibilities as the broker to the Company are owed solely to the Company. No representation or warranty, express or implied, is made by Zimmerman Adams International Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Zimmerman Adams International Limited will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to customers of Zimmerman Adams International Limited or for providing advice in relation to the contents of this document or any other matter. No liability is accepted by Zimmerman Adams International Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document, for which the Company and the Directors are solely responsible.

The Placing described in this document is only being made in the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Ordinary Shares of the Company or the distribution of this document. This document should not be copied or distributed by recipients and, in particular, should not be distributed by any means, including electronic transmission, in, into or from, the United States of America, Canada, Australia, Japan or South Africa or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation. The Ordinary Shares of the Company have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, Japan or South Africa and they may not be offered or sold, directly or indirectly, within, or into, the United States of America, Canada, Australia, Japan or South Africa or to, or for the account or benefit of, United States persons or any national, citizen or resident of the United States of America, Canada, Australia, Japan or South Africa. This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares of the Company in any jurisdiction in which such an offer or solicitation is unlawful.

The whole text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part III of this document.

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FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategy.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "expect", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts I and V of this document.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part III of this document headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Neither the Directors, nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules for Companies or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

PLACING STATISTICS

Placing Price	1.75p
Number of Existing Ordinary Shares	401,166,650
Number of Placing Shares	62,857,148
Number of Ordinary Shares in issue on Admission	464,023,798
Placing Shares as a percentage of the Enlarged Issued Share Capital	13.5%
Market capitalisation on Admission at the Placing Price	£8,120,416
Gross proceeds of the Placing	£1,100,000
Estimated net proceeds of the Placing receivable by the Company	£890,000
ISIN number	GB00B3LXPB43

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Document publication date	8 February 2010
Admission effective and commencement of dealings in the Enlarged Issued Share Capital on AIM	12 February 2010
Expected date for CREST accounts to be credited	12 February 2010
Despatch of definitive share certificates in respect of the Placing Shares (where applicable)	by 26 February 2010

All future dates referred to in this document are subject to change at the discretion of the Company and ZAI Corporate Finance Ltd. All times are UK times unless otherwise specified.

DIRECTORS, SECRETARY AND ADVISERS OF THE COMPANY

Directors	Marcelo Leonardo Bravo, <i>Non-Executive Chairman</i> Nigel James Theobald, <i>Chief Executive Officer</i> Michael Anthony Bretherton, <i>Finance Director</i> James Nicholas Gerald White, <i>Non-Executive Director</i>
Company Secretary	Erin Duffy
Registered Office	4th Floor 17 Hanover Square London W1S 1HU
Principal Place of Business	Part of 1st Floor 73 Derby Road Melbourne Derbyshire DE73 8FE
Website	www.oxfordnutrascience.com
Nominated Adviser	ZAI Corporate Finance Ltd 12 Camomile Street London EC3A 7PT
Broker	Zimmerman Adams International Limited 12 Camomile Street London EC3A 7PT
Reporting Accountants	Baker Tilly Corporate Finance LLP 2 Bloomsbury Street London WC1B 3ST
Auditors to the Company	RSM Tenon Audit Limited The Poynt, 45 Wollaton Street Nottingham NG1 5FW
Legal Advisers to the Company	Fasken Martineau LLP 4th Floor 17 Hanover Square London W1S 1HU
Legal Advisers to the Nominated Adviser and Broker	Faegre & Benson LLP 7 Pilgrim Street London EC4V 6LB
Registrars	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this document:

“Admission”	the admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the AIM rules for companies published by the London Stock Exchange, as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
“Articles”	the articles of association of the Company, a summary of which is set out in paragraph 6 of Part VI of this document
“CA 2006”	the Companies Act 2006 of the United Kingdom (as amended)
“City Code”	the UK City Code on Takeovers and Mergers
“Concert Party”	those persons whose details are set out in Part II of this document
“Connected Persons”	as defined in section 252 of the CA 2006
“Company” or “ONG”	Oxford Nutrascience Group Plc
“CREST”	the relevant system (as defined in the CREST Regulations) which enables title to securities to be evidenced and transferred without a written instrument and which is operated by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
“Directors” or “Board”	the directors of the Company, whose names are set out on page 5 of this document
“Ellactiva®”	registered trademark for a bone health food supplement for women
“EMI Option Scheme”	the Oxford Nutrascience Group Plc Enterprise Management Incentive Scheme, details of which are set out in paragraph 12 of Part VI of this document
“Enlarged Issued Share Capital”	the issued share capital of the Company upon Admission being the aggregate of the Existing Ordinary Shares and the Placing Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“Existing Shareholders”	the holders of Existing Ordinary Shares at the date of this document
“FSA”	the UK Financial Services Authority, the single statutory regulator under the FSMA
“FSMA”	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto

“Group”	the Company and subsidiaries (each a “Group Company”)
“Independent Shareholders”	the Shareholders at the date of this document other than those who are members of the Concert Party
“Intellectual Property Rights”	means all intellectual property, including (without limitation) patents, trade marks, service marks, trade or business names, goodwill, domain names, database rights, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, know-how, trade secrets and confidential information, customer and supplier lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world for their full term, including renewals and extensions
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UK Listing Authority
“ONL” or “Oxford Nutrascience”	Oxford Nutrascience Limited, (company number 6498279) the wholly owned trading subsidiary of the Company
“ONL Acquisition”	the acquisition of ONL by the Company and effected under the Share Exchange Agreement
“ORA”	ORA (Guernsey) Limited, a company incorporated in Guernsey under company number 49949
“ORA Capital”	ORA Capital Limited, a company incorporated in England and Wales under company number 5614046
“ORA Capital Partners”	ORA Capital Partners Limited, company incorporated in Guernsey with Company number 49907, a company traded on AIM
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Patent Family 1”	the family of patent applications set out in Part I of this document
“Patent Family 2”	the family of patent applications set out in Part I of this document
“Patents Pending”	the filed patent applications, details of which are set out in Part I of this document
“Placing”	the conditional placing by ZAI on behalf of the Company of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 8 February 2010 between the Company (1), the Directors (2) ZAICF (3) and ZAI (4) relating to the Placing, details of which are set out in paragraph 13 of Part VI of this document
“Placing Price”	1.75p per Placing Share
“Placing Shares”	62,857,148 new Ordinary Shares to be issued pursuant to the Placing

“Prospectus Rules”	the prospectus rules published by the FSA from time to time for the purposes of Part IV of FSMA in relation to offers of securities to the public
“QCA Guidelines”	the Corporate Governance Guidelines for AIM Companies issued by the Quoted Companies Alliance
“Related Party”	has the meaning given to that term by the AIM Rules for Companies
“Relationship Agreement”	the relationship agreement dated 8 February 2010 (and conditional upon Admission) and entered into between the Company (1) and ORA (2), further details of which are set out in paragraph 13 of Part VI of this document
“Shareholders”	holders of Ordinary Shares in the Company from time to time
“Share Exchange Agreement”	the agreement dated 27 January 2010 and made between the Company (1) ONL (2) and the Vendors, providing for the ONL Acquisition, further details of which are set out in paragraph 13 of Part VI of this document
“Share Option Schemes”	together, the EMI Scheme and the Unapproved Option Scheme
“Subsidiaries”	ONL and Oxford Nutra Limited, both being subsidiaries of the Company within the meaning of section 1159 of the CA 2006
“Takeover Panel”	the UK Panel on Takeovers and Mergers
“Technology”	the subject of the Patents Pending and related know-how including Patent Family 1 (entitled “confectionary compositions”) and Patent Family 2 (entitled “pharmaceutical, therapeutic or nutritional delivery systems for functional ingredients”)
“Theobald ONL Option”	the option granted to Nigel Theobald by ONL which has now been replaced by the Theobald Option, details of which are set out in paragraph 12 of Part VI of this document
“Theobald Option”	the option granted to Nigel Theobald under the EMI Option Scheme, in replacement for the Theobald ONL Option, details of which are set out in paragraph 12 of Part VI of this document
“Unapproved Option Scheme”	the Oxford Nutrascience Group Plc Unapproved Option Scheme, details of which are set out in paragraph 12 of Part VI of this document
“UK Listing Authority”	the FSA acting in its capacity as competent authority for the purposes of Part VI of FSMA
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or “USA” or “United States”	the United States of America, its territories and possessions, any state in the United States, the District of Columbia and other areas subject to its jurisdiction
“Vendors”	the vendors under the Share Exchange Agreement being the then shareholders of ONL
“ZAICF”	ZAI Corporate Finance Ltd, the nominated adviser to the Company
“ZAI”	Zimmerman Adams International Limited, the broker to the Company
“£” and “p”	United Kingdom pounds sterling and pence

TECHNICAL DEFINITIONS

Except where the context otherwise requires, the following technical definitions shall apply throughout this Document:

“analgesics”	any member of the diverse group of drugs used to relieve pain
“dysphagia”	the medical term for the symptom of difficulty in swallowing
“hydrophobic”	a material that repels water. In chemistry, hydrophobicity is the physical property of a substance that is repelled from a mass of water. Hydrophobic substances in water often cluster together and do not disperse or dissolve
“medicaments”	a medicine or remedy in a specified formulation
“organoleptic”	refers to sensory properties, i.e. those that can be detected by the sense organs. For foods, it is used particularly of the combination of taste, texture, and astringency (perceived in the mouth) and aroma (perceived in the nose).
“over-the-counter (OTC) medicines”	medicines or consumer health care products that do not require a prescription. This includes traditional medicines, cough and cold preparations, vitamins and minerals, indigestion preparations, analgesics, and other healthcare products including: medicated skin products, topical medicines, plasters & bandages, first aid kits, anti-smoking aids, rectal medications, eye/ear drops, sleeping aids, motion sickness treatments, etc.
“polymer”	a large molecule formed by the linkage between a large number of smaller molecules (monomer)
“prebiotics”	non-digestible food ingredients that beneficially affect the host by selectively stimulating the growth and/or activity of one or a limited number of bacteria in the colon
“proof of concept”	second stage in the company’s product development process. By the end of the stage key milestones achieved or completed include definition of final formulations, establishment of raw material standards, preliminary process feasibility (pilot plant scale), and consumer acceptance validation
“surfactant”	wetting agent that lowers the surface tension of a liquid, allowing easier spreading, and lowers the tension between two liquids
“liquid suspension”	solid particles dispersed throughout a liquid phase in which they are not soluble.

Part I

INFORMATION ON THE COMPANY

1. Introduction

ONG is the holding company of ONL, a consumer healthcare company developing and commercialising proprietary delivery systems for medicines and supplements. By leveraging prebiotic soluble fibre technology, Oxford Nutrascience's proprietary delivery systems which include chewable tablets, chewy confectionery and liquid suspensions, allow for self medication with ease. They also have functional benefits.

ONL was founded in February 2008 by two entrepreneurs with corporate experience in consumer healthcare. Nigel Theobald, Chief Executive Officer, previously worked for Boots (now Alliance Boots) where he held senior commercial roles in over-the-counter medicines and healthcare product development. Marcelo Bravo, Non-Executive Chairman, has a background in chemistry and chemical engineering and previously worked in research and development with Procter & Gamble, and new business development with Boots (now Alliance Boots).

ONL secured £1.039 million in early stage funding from private investors, including ORA, from two investment rounds in May and August 2008. Revenues, to date, are derived from the sale of Ellactiva®, a calcium chewy supplement which is sold in the UK, via Alliance Boots, and in the Middle East, via Hauora Products Limited. ONG is seeking to license the IP rights to the Technology, subject to grant of the patents pending, to major brand owners in the OTC and prescription pharmaceutical sectors.

The Company has conditionally raised £1.1 million (before expenses) by the issue of 62,857,148 Placing Shares at the Placing Price pursuant to the Placing. The net proceeds of the Placing will be used to develop and grow the business and fund further research and development in line with the business strategy. Application has been made to the London Stock Exchange for Admission of the Enlarged Issued Share Capital to trading on AIM and it is expected that trading will commence in the Ordinary Shares on 12 February 2010.

2. The Technology

Prebiotic soluble fibres are food ingredients that are presenting additional opportunities to the food industry as a result of their digestive health benefits as well as their ability to replace sugar and, in the Directors opinion, improve taste. The Group has recognised that the functionality of these ingredients can be used to impart a range of desired effects in medicinal formulations. The Group has developed the Technology for the use of prebiotic soluble fibres in medicine delivery systems that:

- disperse and solubilise medicines;
- improve taste and mouth feel;
- simplify processing and eliminate additives; and
- incorporate prebiotic health benefits.

The systems developed by the Group use a range of prebiotic soluble fibres in precise combination to achieve desired effects in taste, mouth feel and active ingredient dispersability. These prebiotic soluble fibres are generally non-starch carbohydrate polymers of varying size or chain length. The differences in chain length between various soluble prebiotic fibres result in distinctly different functional attributes and the precise combination of different fibres, coupled with proprietary process know-how, is the basis of the Group's Technology.

The Delivery Systems

Conventional systems to deliver functional ingredients such as drugs and nutritional supplements include tablets, capsules, chews, gels, liquid suspensions and syrups. As evidenced by activity in the patent space, there is ongoing interest in developing new systems for delivering functional and active ingredients such as oral gels, spill-resistant syrups, mouth dissolving soluble tablets, chewable tablets and confectionery chews. The Group's delivery systems also contain prebiotic fibre and therefore provide additional benefits which are not associated with current OTC medicine delivery systems that are known to the Directors to be in the market or in the patent space.

The Group has realised that the functional properties of prebiotic soluble fibres can be used to develop medicine delivery systems with favourable organoleptic properties such as taste, texture and mouth feel and with the potential to provide nutritional benefits via prebiotic fibre intake. Importantly, delivery systems developed by the Group are based on soluble fibres and which are capable of wetting and dispersing hydrophobic ingredients and stabilise emulsions and dispersions.

The Company's initial patent applications cover OTC medicines and food supplements. The Group is conducting ongoing development to extend its intellectual property portfolio as well as establish claims for increased efficacy of medicine delivery.

The Technology is currently the subject of two patent applications, both initially filed in the UK, further details of which are set out in this Part I. The Group's delivery systems include:

Chewy Confectionery: the Directors believe that this is a great format suitable for unpleasant to take supplements (e.g. large calcium tablets) or children's supplements. The Group currently sells a calcium chew and is developing new products with a view to a launch in early 2010, one of which contains Omega 3.

Traditional confectionery chews are made soft by balancing the use of crystallising sugars (sucrose) with reducing sugars (glucose syrup). Adding minerals to traditional confectionery chews can lead to a gritty texture as the minerals can change the balance and promote crystallisation.

The Directors believe that the taste benefits of using traditional confectionery chews can also be outweighed by these being high in sugar and furthermore that by reducing the sugar and fat content of a traditional confectionery chew this can compromise both taste and texture. The Group uses a blend of prebiotic soluble fibres to reduce the sugars and fat traditionally used to make chews and to provide for favourable organoleptic properties. As a result, the Group's fortified chew is reduced in sugar and fat, high in prebiotic fibre, yet with the same soft texture as traditional confectionery chews.

Chewable Tablets (Chewitabs™): Chewitabs™, are the Group's proprietary chewable tablets. Chewitabs™ produce a light crunch when bitten and then form a soft chew that dissolves quickly in the mouth and therefore can be taken without water. The Directors believe that Chewitabs™, are suited for convenience driven OTC medicines (such as analgesics, allergy treatments, digestive aids) and medicines for the elderly.

Dysphagia is a common problem for children and the elderly, so taking tablets may be a difficult event. For this reason tablets that can dissolve or disintegrate in the mouth have attracted a great deal of attention.

Chewitabs™ can be manufactured using standard tablet compression equipment and pressures and have the potential to provide additional benefits as they contain prebiotic fibres. Chewitabs™ come in a range of sizes to allow for different doses of ingredients to be incorporated.

Liquid Suspension:

Gels, syrups or suspensions are widely used delivery systems for a range of medicaments and nutraceuticals and are generally used for children's analgesics and cough and cold medicines. The Directors' experience is that the formulation of these medicines poses a number of challenges including dispersing hydrophobic ingredients, maintaining stability and providing for acceptable organoleptic properties. Typically, formulations use a range of dispersants and stabilisers and also tend to have sugars or sweeteners added for flavour enhancement.

The Group has developed a suspension system for the delivery of medicines and nutraceuticals without the need for traditional surfactant and stabiliser ingredients. The Group's suspension system not only remains stable over time but is also adequately preserved. The Group's suspension system is based on soluble fibres that are naturally sweet, therefore, the need for extra sweeteners is minimised, or in some instances, in the opinion of the Directors, could be avoided altogether.

Moreover, given the ability of the Group's delivery system to effectively wet and disperse hydrophobic ingredients, it can be manufactured via a one-step mixing process which is simpler and may offer cost savings relative to a multistep process.

The Regulatory environment

ONL's delivery systems are intended for use primarily with OTC medicines and vitamin and mineral supplements with non-novel nutraceutical ingredients and authorised medicinal products that have already been approved under the respective regulatory regimes for nutraceuticals and medicinal products by the relevant authorities in the relevant markets including the UK, EU and USA (e.g. the Food and Drug Administration). The Group is not currently involved in applying the delivery systems to the development of products containing or comprising novel nutraceutical ingredients or medicinal products not already covered by a marketing authorisation.

Medicinal Products – By way of example and background, medicinal products in the UK are regulated by the Medicines and Healthcare products Regulatory Agency (MHRA) and in the EU, each member state has an equivalent national competent authority. A medicinal product may not be marketed in the EU without a duly granted marketing authorisation. There are a number of routes to obtaining marketing authorisations for medicinal products in the EU including the centralised route whereby an application is made to the European Medicines Agency (EMA) for approval throughout the EU and the decentralised route whereby an initial application is made to a 'reference' member state and once granted, applications are made to the other 'concerned' member states in which a marketing authorisation is sought to recognise the initial marketing authorisation granted and hence grant an authorisation nationally. The route to be taken is partially a matter of choice but for more high-technology medicinal products the centralised route is compulsory.

However, the Group intends that the inclusion of its delivery systems into already authorised medicinal products will not require the marketing authorisation holders to submit an application for a new marketing authorisation. It is envisaged that such inclusion would instead only entail an application for a variation of its existing marketing authorisation, which variation application would require the approval of either the EMA or national authorities (as the case may be) which, in the Directors' experience, normally takes 6 to 12 months. Alternatively the Group may choose to proceed on the basis of a separate licence application in the name of a Group company as the costs and time implications of such an approach are, in the experience of the Directors, similar to a variation. This time frame is and will continue to be factored into the Group's development process.

Food Supplements/Foodstuffs – Food supplements in the EU/UK are governed by a system whereby companies are responsible for any claims made on packaging for ingredients that have approved EU status. Products should contain only prescribed vitamins and minerals and are subject to member state label and safeguard monitoring powers. EU legislation also covers the labelling and levels of vitamins and minerals added to foodstuffs, the labelling of foodstuffs intended for particular nutritional purposes and an EU assessment procedure and labelling requirements for novel foods and novel food ingredients. In October 2009 new guidelines were issued by the European Food Safety Authority in respect of claims which may be made in respect of approved ingredients.

The Group is aware of the regulatory environment in which it operates and intends only to use ingredients, ingredient claims and ingredient levels approved by these guidelines. In the event food supplement ingredients require the approval of the relevant competent authorities in EU member states, the Group will work in combination with its customers to gain such approvals. The Group has already developed data to support any application necessary in relation to its involvement with a calcium supplement and intends to produce dossiers as required in respect of other food supplement products to which its delivery systems will be applied.

3. Intellectual Property Portfolio

ONL, the Group's trading company, has acquired and developed the following intellectual property portfolio, consisting of the following patent applications and trademarks:

Patent Family 1 – Confectionery Composition

<i>Country</i>	<i>Filing date</i>	<i>Application No.</i>	<i>Status</i>
UK	07-08-2006	0615590.7	Pending
Europe	27-03-2007	07251302.1	Pending

Patent Family 2 – Delivery System

<i>Country</i>	<i>Filing date</i>	<i>Application No.</i>	<i>Status</i>
UK	24-04-2009	0907019.4	Pending

Trademark Family 1 – Ellactiva®

<i>Country</i>	<i>Mark</i>	<i>Filing</i>	<i>Number</i>	<i>Status</i>	<i>class</i>
UK	Ellactiva®	24-09-2003	2344106	Registered	05,29,30,32
UK	Ellactiva®	09-10-2003	2345382	Registered	05,29,30,32
UK	Life tastes great Ellactiva®	18-11-2005	2406892	Registered	05,30,32
UK	Deliciously effective nutrition Ellactiva®	26-11-2004	2370626	Registered	29,30
Europe	Good carbs Ellactiva®	24-09-2003	E3541323	Registered	05,29,30,32
(request for assignment to Oxford Nutrascience with authorities)					
UK	Calvital 400	28-10-2003	2347057	Registered	1

Trademark Family 2 – Chewitabs

<i>Country</i>	<i>Mark</i>	<i>Filing</i>	<i>Number</i>	<i>Status</i>	<i>class</i>
UK	Chewitabs	12-08-2009	2523562	Advertised	05

The Company has applied for patents under the two patent families above, namely Patent Family 1 (entitled “confectionary compositions”) and Patent Family 2 (entitled “pharmaceutical, therapeutic or nutritional delivery systems for functional ingredients”).

Patent Family 1

Patent Family 1 contains a UK application and a European application. The UK Intellectual Property Office (“UK IPO”) has searched this application but not yet examined it in substance.

The claims in the European application are in the process of being examined. The original claims were the same as the UK claims and were rejected by the European Examiner. The claims have now been amended to distinguish over the prior art cited by the European Patent Office (“EPO”) during its search. The European Examiner must now examine the amended claims and decide whether or not to accept them. There is room to limit these claims further to create more distance between the claimed invention and the prior art cited by both the UK IPO and the EPO, if necessary.

The recipes set out as examples within the specification of Patent Family 1 fall within current scope of claim 1 in the European patent application as currently drafted for a confectionary composition. There is scope to develop similar products based on those examples and still have those covered by this claim, either as currently drafted or if amended.

Patent Family 2

Patent Family 2 is still at a very early stage. A UK application was filed in April 2009. The Company has until 24 April 2010 to file patent applications around the world, claiming priority from this application.

A request for a search has recently been filed, but the search results have not yet been received. The claims filed on the second Patent Family 2 are wide ranging and cover suspensions, chewable tablet and powder types of delivery systems. The Company now has the opportunity to strengthen this application so as to seek more focused protection for the different delivery systems being developed. The Company undertakes to seek protection which covers the products made using its Technology. It is too early to form a view as what scope of patent claims would be allowed.

While the Group currently has one product on the market (Ellactiva® calcium chews), this is based on a non-proprietary traditional chew recipe. The Group plans to develop products under Patent Family 1 (confectionary chews) and Patent Family 2 (pharmaceutical, therapeutic or nutritional delivery systems) and thus the granting of the Patents Pending under Patent Family 1 and 2 are important to the success and future profitability of the business of the Group going forward.

Further Research and Development

The Group is committed to ongoing research and development that may lead to increases in the Group's know-how in relation to the current delivery systems. This could lead to further patent development, either in manufacturing or additional embodiments of the current delivery system.

4. The Market

The Group's delivery systems are intended for use in the growing global OTC market. The total OTC self medicinal market is growing particularly in the developed economies due to an ageing population. The Directors believe that as their patent protection expires or is about to expire, OTC brands are looking to differentiate their products on the basis of convenience, portability and ease of use. Furthermore, dysphagia, particularly amongst children and the elderly, may, in the opinion of the Directors, drive the need for more pleasant and easier-to-take formats of OTC medicine and food supplements.

According to the Datamonitor 2008 Global OTC report, the global OTC pharmaceuticals market generated total revenues of US \$104.2 billion in 2008, representing a compound annual growth rate of 4% for the period spanning 2004-2008. The market is forecast to grow to a value of US \$124 billion in 2013, an increase of 19% from 2008.

The OTC medicinal market consists of the following: traditional medicines (20%), cough and cold preparations (15.5%), vitamins and minerals (12.5%), indigestion preparations (10.4%), analgesics (10.2%) and other OTC healthcare products including medicated skin products and topical OTC medicines.

The Directors' target market for the Chewitabs™ and liquid suspension delivery systems are OTC analgesics, indigestion preparations and cough and cold medicines. The global market for these totalled approximately \$38bn in 2008. The global market for vitamins and minerals, the Directors' target market for the chewy confectionery delivery system, totalled £13bn in 2008.

There is evidence to suggest that consumers are increasingly willing to self-medicate, both for convenience and the cost savings associated with self-medication. New regulations are changing OTC retail channels and sales processes, including the range of products on offer. Also, governments and healthcare providers are promoting self-medication, viewing the process as a tool to help contain healthcare expenditure. Therefore, the Directors believe that the OTC medicinal market holds potential for continued growth in both developed and emerging markets.

Market Needs

As evidenced by activity in the patent space, OTC medicine companies are engaging in the development of new medicine delivery systems including gels, emulsions and mouth soluble tablets. Importantly, many

patients and consumers find it difficult to swallow tablets and hard gelatin capsules, which can lead to them not taking their medicines as prescribed.

Dysphagia is not only a common problem among the elderly and children, but with all age groups who are ill, in bed or on the go. For this reason, tablets that can dissolve or disintegrate in the mouth have attracted a great deal of attention and are an important and attractive alternative to liquid dosage forms. Mouth dissolving tablets are not only suitable for people who have difficulty in swallowing, but also for conditions of administration where water is not available.

For children, syrups that have a nice taste are more appropriate, however, they can be difficult to formulate and stabilise as some medicinal actives are not as stable in liquid form as they are in solid form.

5. Commercialisation Strategy

The Directors intend to commercialise the Group's intellectual property portfolio through a combination of (a) direct product sales to consumer healthcare companies and distributors, primarily in the vitamins sector and (b) establishing licenses for its technology with key medicine brand owners on a regional or global basis.

The Group currently has one confectionery chew on the market (Ellactiva® calcium chews) and is preparing to have further chews available for commercial sale during 2010, along with advancing development of a range of Chewitab™ based supplements. Currently the Group's medicine development work is focusing on ibuprofen suspension and chewable allergy tablets incorporating loratadine. The Group has already engaged in initial discussions with worldwide consumer healthcare companies and has a confidential disclosure agreement in place with a consumer healthcare company to discuss a joint development agreement.

The Directors intend to focus the Group's research and development on producing preliminary proof of concept product dossiers aimed at facilitating the obtaining by potential partners of the necessary regulatory approvals for that partner's products incorporating the Technology as part of development projects with that partner. This would be anticipated to lead to a full licence agreement to launch the relevant product in the chosen regions.

6. History and Background on the Group

ONL was incorporated on 8 February 2008 with the aim of developing and commercialising delivery systems for medicines and supplements leveraging prebiotic soluble fibre technology.

Initially ONL received an investment of £75,000 in order to cover its initial costs and the costs relating to the acquisitions of the Ellactiva® intellectual property and the Patent Family 1 from Superfoods Limited. Subsequently during May and August 2008 ONL undertook a number of private fundraising rounds and secured net proceeds of £1.039 million in early stage funding for the purpose of providing working capital for the Group to undergo research and development of the technology.

On 27 January 2010 ONG acquired the entire issued share capital of ONL pursuant to the terms of the Share Exchange Agreement details of which are set out in paragraph 13 of Part VI of this document, and as such ONL is a wholly owned subsidiary of the Company.

7. Directors

The Board comprises 1 Executive Director, 1 Non-Executive Chairman, 1 Non-Independent Non-Executive Director and 1 Independent Non-Executive Director whose details are as follows:

Marcelo Bravo, Non Executive Chairman, Age 50

Marcelo Bravo is a founder of Oxford NutraScience and an entrepreneur with a background in chemistry and chemical engineering and international experience with blue-chip companies. Marcelo spent 16 years in R&D with The Procter & Gamble Company and subsequently spent 3 years in corporate development with Boots (now Boots Alliance Plc). After this he became an entrepreneur and most recently was CEO and Board director of Oxford Advanced Surfaces Group Plc, a company he led from inception as a spin-out from Oxford University which is now quoted on the AIM market. Marcelo has experience in developing,

launching and growing new products and businesses across a range of both geographic and product markets. Marcelo holds a B.A. in Chemistry from the College of Wooster, USA and a B.Sc. in Chemical Engineering from Case Western Reserve University, USA and an M.Sc in Management from the London Business School.

Nigel Theobald, Chief Executive Officer, Age 45

Nigel Theobald has a background in marketing and product development in the OTC consumer healthcare market as well as considerable business development experience with blue chip companies. Nigel worked for Boots (now Boots Alliance Plc) for 13 years in a number of commercial and strategic roles including Category Manager for OTC Medicines and Head of Healthcare Brand Development. Nigel set up a consultancy to advise ingredient technology firm Alltracel to launch new products and establish commercial partnerships and worked closely with established health care brands prior to setting up Omscan Ltd, a consumer healthcare production distribution business in the UK, which he sold in 2008. Nigel holds a B.Sc in Economics from Southampton University.

Mike Bretherton, Finance Director, Age 54

Michael Bretherton graduated in Economics from University of Leeds in 1978. He worked as an accountant and manager with PriceWaterhouse for seven years in both London and the Middle East . He subsequently worked for The Plessey Company Plc before being appointed finance director of the fully listed Bridgend Group Plc in 1988 where he was involved in the strategic evaluation and commercial implementation of a broad range of business initiatives over a twelve year period. More recently he has worked at the property and services company, Mapeley Limited as financial operations director and then at the entertainment software games developer, Lionhead Studios Limited, in 2002 where he helped to complete a Venture Capital syndicate funding and also a trade sale of the business to Microsoft in 2006. Michael is currently an executive director of ORA Capital Partners Limited and is also a director for a number of other AIM quoted companies.

James White, Non Executive Director, Age 39

James White has extensive experience in operations, product development, regulatory, sales and marketing and general management. James worked for Osmetech Plc for 11 years in a number of senior positions including as Chief Executive for the period 2000 to 2009. Osmetech has operations in the UK and USA and is focused on providing molecular diagnostic technologies through a global sales distribution network. James has a track record of mergers and acquisitions, disposals and fundraising in the UK, USA and Europe and was previously a senior consultant in Arthur D Little's corporate finance practice where he specialised in advising on investments in small and medium sized companies.

8. Summary Financial Information

ONG was incorporated on 7 October 2009 with a called up share capital of £2 and the Company has not traded since its incorporation. On 27 January 2010 it acquired ONL in an all equity transaction pursuant to the Share Exchange Agreement. ONL is a wholly owned subsidiary of the Company.

Since the date of incorporation of ONG, it has not yet commenced operations, incurred neither profit nor loss and (save for its acquisition of and current 100% interest in the shareholding of ONL and the incorporation of Oxford Nutra, a dormant subsidiary) has no material assets or liabilities and no financial statements have been made up. Accordingly, there is no financial information relating to ONG contained in this document.

The financial information set out in the table below has been extracted from the historical financial information of ONL included in Part IV and V of this document. Shareholders should read the full historical financial information in Parts IV and V and not rely solely upon the summary below:

	<i>From 8 February 2008 to 31 December 2008 (Audited) £000</i>	<i>8 months to 31 August 2009 (Unaudited) £000</i>
Revenue	43	36
Operating Loss	(120)	(174)
Loss after tax	(107)	(165)

Cash and cash equivalent balances amounted to £844,000 at 31 August 2009.

Going forward, whilst the Company is preparing audited accounts on ONL for the period ended 31 December 2009, no audited accounts will be prepared at that date for ONG on the basis that the Company was not trading at that date. ONG intends for its first accounting period to be a 15 month accounting period ending 31 December 2010. On this basis ONG's first published accounts will therefore be the unaudited interim accounts for the period ending 30 June 2010. These interim results will be released by 30 September 2010.

The audited financial results for ONL for the period ended 31 December 2009 are expected to be announced by 31 May 2010.

9. Current Trading and Prospects

Since 31 August 2009, ONL has traded in line with management expectations. Following Admission, the Group will have cash resources of approximately £1.5 million after paying expenses of the Placing and Admission.

10. Placing and Admission

The Company proposes to raise £1.1 million (before expenses) by the issue of 62,857,148 Placing Shares at the Placing Price pursuant to the Placing. The Placing has been arranged by ZAI, as agent for the Company. The Placing is not being underwritten or guaranteed. The Placing Shares will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions thereafter declared made or paid. At the Placing Price, the Company will have a market capitalisation of approximately £8.1 million on Admission.

The Placing is being effected through and in accordance with the terms and conditions of the Placing Agreement, full details of which are set out in paragraph 13 of Part VI of this document.

Application has been made to the London Stock Exchange for Admission of the Enlarged Issued Share Capital to trading on AIM and it is expected that trading will commence in the Ordinary Shares on 12 February 2010.

11. Reasons for the Placing, Admission and use of Proceeds

The net proceeds of the Placing will be used primarily to provide funds needed by the Group to develop and grow the existing business and to provide funding for future research and development in line with the business strategy.

The Directors believe that the profile of the Company will be enhanced by its position as an AIM company. It will also, *inter alia*, provide a more liquid market for its shares.

12. Grant of New Options

As part of the ONL Acquisition, the Company granted to Nigel Theobald, in substitution for his ONL Option, the Theobald Option under which he may subscribe for up to 7,500,000 Ordinary Shares in the Company at an exercise price of 1.6p per share.

The Theobald Options will vest subject to the following conditions, and in the following proportions:

- (a) in respect of 1,875,000 Ordinary Shares, immediately upon Admission (in line with one of the vesting conditions under the Theobald ONL option);
- (b) in respect of 3,750,000 Ordinary Shares, as follows provided that Mr Theobald has, for the continuous period since 1st January 2009 until the relevant date, remained an employee:
 - (i) in respect of 1,250,000 Option Shares, on 1st January 2010; and
 - (ii) in respect of 1,250,000 Option Shares, on 1st January 2011; and
 - (iii) in respect of 1,250,000 Option Shares, on 1st January 2012;
- (c) in respect of 1,875,000 Ordinary Shares, subject to Mr Theobald continuing to be an employee at the time, immediately upon the satisfaction of either one of the following conditions:
 - (i) where, within four years of 3 April 2009 (being the date upon which the Theobald ONL Option was granted), there is a sale (as defined by the EMI Scheme) which values the Company in excess of £30,000,000; or
 - (ii) where in any continuous twelve month period within four years of 3 April 2009 (being the date upon which the Theobald ONL Option was granted) the Company achieves an aggregate gross revenue from commercial trading activities (including without limitation revenue derived from the provision of services, consultancy fees, sales or products and licensing of its intellectual property but not for the avoidance of doubt any capital investments in the Company) of £2,500,000 or more or starts to generate distributable profits (within the meaning of the CA 2006).

The Theobald Option was granted to Nigel Theobald under the terms of the EMI Scheme.

EMI Option Scheme

The EMI Option Scheme will allow the grant of options to eligible employees of the Group, which includes executive directors and employees. To date, the Company has granted Options under the EMI Scheme to Nigel Theobald in substitution for the Theobald ONL Option held by him at the date of the ONL Acquisition. There are currently no proposals to grant any other options under the EMI Option Scheme. Further details of the rules of the EMI Option Scheme are set out in paragraph 12 of Part VI of this Document.

The Unapproved Option Scheme

The Unapproved Option Scheme will allow the grant of options to all directors and employees of the Group. There are currently no proposals to grant any options under the Unapproved Option Scheme. Further details of the rules of the Unapproved Option Scheme are set out in paragraph 12 of Part VI of this Document.

13. Lock-in and Orderly Market Arrangements

The Directors and their connected persons, and certain other Shareholders, have undertaken, save in certain limited circumstances (as permitted by the AIM Rules for Companies), not to dispose of any of their Ordinary Shares for a period of twelve months after Admission. Any disposal of Ordinary Shares by the parties subject to these lock-in arrangements before the second anniversary of Admission will be made through the Company's broker, from time to time, in such orderly manner as the Company's broker shall reasonably determine. The number of Ordinary Shares in issue at Admission, which will be subject to such restrictions is 326,038,066, representing approximately 70.26 per cent. of the Enlarged Issued Share Capital.

Further details of these arrangements are set out in paragraph 13 of Part VI of this Document.

14. Relationship Agreement

On Admission, ORA will hold Ordinary Shares representing approximately 34.89 per cent. of the Enlarged Issued Share Capital and the Concert Party, to which ORA is a party, will hold 48.75 per cent. Further information on the Concert Party is included in Part II of this document.

The Directors are satisfied that the Company is capable of carrying on its business independently of ORA and that all transactions and relationships between ORA and the Company are and will continue to be at arm's length and on commercial terms.

To ensure that Shareholders are adequately protected in this regard, the Company has entered into the Relationship Agreement with ORA. Pursuant to the Relationship Agreement, ORA has given certain undertakings to the Company to the effect that the Board can amongst other things operate on an independent basis. In considering any proposed arrangements or contracts between ORA and the Company, Michael Bretherton is not considered to be independent of ORA and will abstain from voting on any such arrangements or contracts at any Board meeting of the Company. Further details of the Relationship Agreement are set out in paragraph 13 of Part VI of this document.

15. City Code on Takeovers and Mergers

The terms of the proposals set out in this letter give rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protection they afford are given below.

The City Code does not currently have the full force of law. It has, however, been acknowledged by both government and other regulatory authorities that those who seek to take advantage of the facilities of the securities markets in the United Kingdom should conduct themselves in matters relating to takeovers (and related transactions) in accordance with high business standards and according to the City Code.

The City Code is issued and administered by the Panel. The City Code applies to all listed or unlisted public companies registered in the United Kingdom (and to private companies in certain circumstances) and, where not listed on a regulated market, are considered by the Panel to have their place of central management and control in the United Kingdom. The Company is a public company registered in the United Kingdom and managed and controlled in the United Kingdom and as such its Shareholders are therefore entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company, that person is normally required by the Panel to make a general offer, in cash, to the shareholders of that company to acquire the balance of the equity share capital and any other class of transferable security carrying voting rights of the company at the highest price paid by that person or any person acting in concert with him in the previous 12 months.

Rule 9 of the City Code further provides that, inter alia, where any person who, together with persons acting in concert with him is interested in shares which in aggregate carry, not less than 30 per cent. of the voting rights of a company but does not hold shares carrying not more than 50 per cent. of such voting rights and such person, or any such person acting in concert with him, acquires an interest in additional shares which increase his percentage of shares carrying voting rights, such person is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital and every other class of transferable security carrying voting rights of the company at the highest price paid by that person or any person acting in concert with him in the previous 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. Under the City Code, control means an interest, or aggregate interests, in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the interest or interests gives de facto control.

Before Admission, the Concert Party will, in aggregate, be interested in 175,166,650 Ordinary Shares, representing approximately 43.67 per cent. of the then issued ordinary share capital of the Company. The subscription for and issue of the Placing Shares to certain members of the Concert Party would normally result in an obligation on the part of the Concert Party under Rule 9 of the City Code to make a general offer, in cash, to the shareholders of the Company to acquire the balance of the Ordinary Shares at the highest price for Ordinary Shares paid by any member of the Concert Party in the previous 12 months. Details of each of the members of the Concert Party, and their interests in the Company are set out below. Following Admission, the Concert Party will, in aggregate, be interested in 226,240,666 Ordinary Shares, representing approximately 48.75 per cent. of the then issued ordinary share capital of the Company.

A waiver of an obligation on a concert party, individually or collectively, to make a general offer under Rule 9 of the City Code is normally granted if certain requirements of the City Code (“the Waiver Requirements”) are complied with. The Waiver Requirements are that details of the concert party and the prospective holdings of the concert party are given to shareholders and the issue of shares to that concert party is approved either (a) by the passing of an ordinary resolution of the Independent Shareholders or (b) in writing by such number of the Independent Shareholders as hold 50 per cent. or more of the voting rights attached to the shareholdings of the Independent Shareholders.

The Panel has been consulted and has agreed that it will not require the Concert Party, individually or collectively, to make a general offer for shares in the Company which might otherwise arise as a result of the Placing, on the basis that 100 per cent. of the Independent Shareholders have approved the Waiver Requirements in writing as permitted by the Code.

Following Admission the Concert Party will continue to be considered to be acting in concert by the Panel and so, as outlined above, if any member of the Concert Party acquires an interest in additional Ordinary Shares which increase his percentage of shares carrying voting rights, the Concert Party would normally be required by the Panel to make a general offer to the shareholders of the Company to acquire the balance of the equity share capital in the Company and every other class of transferable security carrying voting rights of the Company at the highest price paid by any member of the Concert Party in the previous 12 months.

Further information on the Concert Party is included in Part II of this document.

16. Dividend Policy

It is the intention of the Board to achieve Shareholder capital growth. In the short term, the Board intends to reinvest any future profits in the Company and, accordingly, is unlikely to declare dividends in the foreseeable future. The Directors will review the dividend policy in due course.

The declaration and payment of dividends by the Company will be subject to the provisions of the CA 2006 and the Articles.

17. Corporate Governance

The Directors recognise the importance of sound corporate governance and intend that the Company shall comply with the main provisions of the QCA Guidelines for AIM Companies so far as the same are appropriate for and apply to a company of the Company’s size, nature and stage of development.

The Board is responsible for formulating, reviewing and approving the Company’s strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least 4 times in each financial year and at other times as and when required.

Upon Admission, the Company will establish an audit committee and a remuneration committee with formally delegated duties and responsibilities.

The audit committee will initially comprise Marcelo Bravo and James White, with Marcelo Bravo as Chairman. It will be responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls.

The remuneration committee will initially comprise James White and Marcelo Bravo, with James White as Chairman. It will review the performance of the Executive Directors and set their remuneration and the payment of bonuses to executive directors and consider the future allocation of share options to directors and employees.

18. Share dealing Code

The Company has adopted a Model Code for Directors' dealings in securities of the Company which is appropriate for a company quoted on AIM. The Directors will comply with Rule 21 of the AIM Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by the Group's "applicable employees" (as defined in the AIM Rules).

19. Working Capital

The Directors having made due and careful enquiry and taking into account the net proceeds of the Placing and existing cash resources available to the Group, are of the opinion that the Group will have sufficient working capital available to it for its present requirements, that is for at least twelve months from the date of Admission.

20. Admission, Settlement and CREST

Application has been made to the London Stock Exchange for all of the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. Admission is expected to become effective and trading in the Enlarged Issued Share Capital to commence on 12 February 2010.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the Regulations. The Articles permit the Ordinary Shares to be evidenced in uncertificated form in accordance with the Regulations.

The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Following Admission, share certificates representing the Placing Shares are expected to be despatched by post to placees who do not wish to receive shares in uncertificated form, by no later than 26 February 2010, at the relevant placee's sole risk. The CREST accounts of placees who have duly elected to receive their Ordinary Shares in uncertificated form are expected to be credited to the designated CREST account on 12 February 2010. The Company's Registrars, Capita Registrars, are responsible for keeping the Company's register of members.

21. Taxation

General information regarding UK taxation in relation to the Admission and the Placing is set out in paragraph 18 of Part VI of this document. These details are, however, intended only as a general guide to the current position under UK taxation law. If investors are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial advisor immediately.

22. Risk Factors

Shareholders should consider carefully the Risk Factors set out in Part III of this document in addition to the other information presented.

23. Additional Information

Your attention is drawn to the information included in the rest of this document. In particular, you are advised to carefully consider the Risk Factors contained in Part III of this document.

Part II

INFORMATION ON THE CONCERT PARTY

Concert Party

<i>Concert Party Members</i>	<i>Holding of New Ordinary Shares before Admission</i>	<i>Percentage in Enlarged Group before Admission</i>	<i>Number of New Ordinary Shares subscribed to under the Placing</i>	<i>Holding of New Ordinary Shares following Admission</i>	<i>Percentage in Enlarged Group following Admission</i>	<i>Number of New Ordinary Shares under option following Admission</i>	<i>Maximum percentage in Group on a fully diluted basis</i>
Richard Griffiths (*)	Nil	0.00	14,285,700	14,285,700	3.08	Nil	3.03
Robert Quested	37,500,000	9.35	5,142,900	42,642,900	9.19	Nil	9.04
ORA	133,333,325	33.24	28,571,400	161,904,725	34.89	Nil	34.34
Annabel Ede-Golightly	2,000,000	0.50	Nil	2,000,000	0.43	Nil	0.42
Michael Bretherton (*^)	1,333,325	0.33	285,716	1,619,041	0.35	Nil	0.34
Nikki Cooper	333,325	0.08	45,000	378,325	0.08	Nil	0.08
Beatrice Hollond (*)	666,675	0.17	171,500	838,175	0.18	Nil	0.18
William Orgee	Nil	0.00	2,286,000	2,286,000	0.49	Nil	0.48
Erin Duffy	Nil	0.00	114,300	114,300	0.02	Nil	0.02
James Ede-Golightly (*^)	Nil	0.00	171,500	171,500	0.04	Nil	0.04
Total	175,166,650	43.67	51,074,016	226,240,666	48.75	Nil	47.97

* Richard Griffiths, Michael Bretherton, James Ede-Golightly and Beatrice Hollond are directors of ORA Capital Partners, which owns 100 per cent. of the issued share capital of ORA

^ James Ede-Golightly and Michael Bretherton are also directors of ORA

As the Concert Party will, immediately after Admission, be interested in more than 30 per cent. of the voting rights of the Company but less than 50 per cent. of the voting rights of the Company then if any member of the Concert Party were to acquire any additional Ordinary Shares which increases the percentage of voting rights held by the Concert Party (or any person deemed to be acting in concert with it), then the Concert Party will normally be obliged to make a general offer, in cash, to all the Shareholders pursuant to Rule 9.

Other than under the Share Exchange and under the Placing, neither ORA, nor any person who would be deemed to be acting in concert with it, has purchased Ordinary Shares during the 12 months immediately preceding the date of this document.

ORA has entered into the Relationship Agreement with the Company under which it has, inter alia, agreed that the Board can amongst other things operate on an independent basis. In considering any proposed arrangements or contracts between ORA and the Company, Michael Bretherton is not considered to be independent of ORA and will abstain from voting on any such arrangements or contracts at any Board meeting of the Company. Further details of the Relationship Agreement are set out in paragraph 13 of Part VI of this document.

The Concert Party is principally based at PO Box 19 Albert House, South Esplanade, St Peter Port, Guernsey, GY1 3AJ

ORA and ORA Capital Partners

ORA is a company incorporated and domiciled in Guernsey and is a wholly owned subsidiary of ORA Capital Partners.

ORA Capital Partners is a holding and management company, incorporated and domiciled in Guernsey, the principal activity of which is the development and growth of trading businesses within the technology, resources and financial services sectors. ORA Capital Partners may also develop businesses in other sectors that provide appropriate value enhancing opportunities.

The following directors of ORA also own shares directly in the Company: Michael Bretherton and James Ede-Golightly. The following directors of ORA's parent company, ORA Capital Partners, also owns shares in the Company: Richard Griffiths, Beatrice Hollond, Michael Bretherton and James Ede-Golightly.

Richard Griffiths

Richard has common employer history with the following shareholders of the Company – Michael Bretherton (ORA Capital Partners), Beatrice Hollond (ORA Capital Partners) and James Ede-Golightly (ORA Capital Partners). Richard is also a director of ORA Capital Partners.

Beatrice Hollond

Beatrice has common employer history with the following shareholders of the Company – Michael Bretherton (ORA Capital Partners), Richard Griffiths (ORA Capital Partners) and James Ede-Golightly (ORA Capital Partners). Beatrice is also a director of ORA Capital Partners.

Michael Bretherton (Director of ONG)

Michael is a director of the Company and a director of both the Company's major shareholder, ORA and its parent company, ORA Capital Partners. Michael has common employer history with the following shareholders of the Company: Richard Griffiths (ORA Capital Partners), Beatrice Hollond (ORA Capital Partners), and James Ede-Golightly (ORA and ORA Capital Partners).

Robert Quested

Robert is deemed to be acting in concert with ORA solely by virtue of him having an interest of greater than 20 per cent. in the total issued share capital of ORA Capital Partners.

Annabel Ede-Golightly

Annabel is the mother of James Ede-Golightly, a director of both ORA and its parent company, ORA Capital Partners.

James Ede-Golightly

James has common employer history with the following shareholders of the Company – Michael Bretherton (ORA and ORA Capital Partners), Richard Griffiths (ORA Capital Partners) and Beatrice Hollond (ORA Capital Partners). James is also a director of ORA and ORA Capital Partners.

Nikki Cooper

Nikki is an employee of ORA Capital, a wholly owned subsidiary of ORA Capital Partners.

Erin Duffy

Erin is the Company Secretary of ONG and an employee of ORA Capital, a wholly owned subsidiary of ORA Capital Partners.

William Orgee

Will is an employee of ORA Capital, a wholly owned subsidiary of ORA Capital Partners.

Information on ORA and ORA Capital Partners

1. *Incorporation and registered office*
 - 1.1 ORA was incorporated and registered in Guernsey with registered number 49949 on 23 January 2009.
 - 1.2 ORA is domiciled in Guernsey. The registered office and principal place of business of ORA is Albert House PO Box 19, South Esplanade St Peter Port Guernsey, GY1 3AJ.
 - 1.3 ORA's principal activity is that of a holding company.

- 1.4 ORA Capital Partners was incorporated and registered in Guernsey with registered number 49907 on 12 January 2009. On 16 March 2009 ORA Capital Partners was admitted to trading to AIM.
- 1.5 ORA Capital Partners is domiciled in Guernsey. The registered office and principal place of business of ORA Capital Partners is PO Box 19, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 3AJ.
- 1.6 ORA Capital Partners is a holding and management company, the principal activity of which is the development and growth of trading businesses within the technology, resources and financial services sectors. ORA Capital Partners may also develop businesses in other sectors that provide appropriate value enhancing opportunities.

2. *Share Capital*

- 2.1 ORA has an unlimited authorised share capital, of which two ordinary shares had been issued to ORA Capital Partners at the date of this document.
- 2.2 ORA Capital Partners has an authorised share capital of £1,750,000 divided into 175,000,000 ordinary shares of 1 pence each of which 100,000,000 had been issued at the date of this document.

3. *No adverse material change*

In the opinion of the directors of ORA and ORA Capital Partners, there has been no adverse material change in the financial position of ORA or ORA Capital Partners since 31 July 2009 (being the date to which the latest unaudited interim accounts of ORA Capital Partners were prepared).

Part III

Risk Factors

The Directors believe that an investment in the Ordinary Shares may be subject to a number of risks. Shareholders and prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including in particular the risks described below (which are not set out in any order of priority), before making any investment decisions. The information below does not purport to be an exhaustive list. Shareholders and prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their personal circumstances.

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment. Prospective investors are advised to consult an independent adviser authorised under the Financial Services and Markets Act 2000.

If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of its investment. Additional risks and uncertainty not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company or the Group.

In addition to the usual risks associated with an investment in any company, the Directors consider the following risk factors to be significant to potential investors.

Risks relating to the Group

Early Stage of Operations

The Group will, when formed, be at an early stage of development. The commencement of the Group's material revenues is difficult to predict and there is no guarantee that the Group will generate any material revenues in the foreseeable future. The Group has a limited operating history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include the uncertainty as to which areas to target for growth. There can be no assurance that the Group proposed operations will be profitable or produce a reasonable return, if any, on investment.

Research and Development risk

The Group will be engaged in trying to develop delivery systems (some of which are hoped will be novel) for medicines and supplements to address specific market needs identified by the Directors from time to time. The Group will therefore be involved in complex scientific areas and new product development and industry experience indicates a very high incidence of delay or failure to produce results. The Group may not be able to develop new technology solutions or identify specific market needs that can be addressed by technology solutions developed by the Group. The ability of the Group to develop new technology relies partly on the recruitment of appropriately qualified staff and engagement of third parties as the Group grows. The Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop new technologies as planned. In addition, new medical and supplement products may face potential regulatory barriers which, by their nature, will vary, for example, by application, geography, volume of business and thus which are difficult to anticipate at present.

Intellectual Property Protection

Going forward the Group plans to develop products under Patent Family 1 (confectionary chews) and Patent Family 2 (pharmaceutical, therapeutic or nutritional delivery systems) and thus the granting of the patents pending under Patent Family 1 and 2 are vital to the success of the business of the Group going forward.

The commercial success of the Group will largely depend on its ability to protect and enforce its Intellectual Property Rights so as to preserve its exclusive rights in respect of the Technology and to preserve the confidentiality of its own and collaborators' know-how. The Group may not be able to protect and preserve its Intellectual Property Rights or to exclude competitors with competing technology products, including the application under Patent Families 1 and 2.

The Group will seek to rely on patents to protect its market position. Patents are a monopoly right and are territorial. They grant to the successful applicant the exclusive right in the country or territory in which the patent is granted to prevent others in that territory from, amongst other things making, offering, putting on the market or using a product, which is the subject matter of a patent, and from using a process which is the subject matter of a patent. No assurance can be given that others will not gain access to the Group's un-patented proprietary technology and/or disclose such technology or that the Group can ultimately protect meaningful rights to such un-patented technology.

The Group's Intellectual Property Rights portfolio does not currently comprise granted patents but instead comprises applications for patents. There is no guarantee the Group will obtain granted patents for the inventions set out in the patent applications under any or all of the Patent Families 1 and 2 which have been filed under Patent Families 1 and 2, or in relation to any other patent application that it may file. There is no guarantee that the Group will develop other patentable products or processes.

Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

A substantial cost may be incurred if the Group is required to assert its Intellectual Property Rights, including any patents or trade marks against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's Intellectual Property Rights and activities. There is no assurance that obligations to maintain the Group's or its own or its collaborators' know how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Any claims made against the Group's Intellectual Property Rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Group's resources. A third party asserting infringement claims against the Group and its customers could require the Group to cease the infringing activity and/or require the Group to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Group's business, financial condition or results.

The term of a patent is, generally speaking, fixed. Where time is expended in research and development on a product after the patent application has been filed, then this will reduce the period of exclusivity afforded to any marketed product by any patent.

No assurances can be given that any pending or future trade mark applications will result in granted trade mark registrations, that the scope of any copyright, trademark protection will exclude competitors or provide advantages to the Group, that third parties will not in the future claim rights in or ownership of the copyright, patents and other proprietary rights from time to time held by the Group.

Further, there can be no assurances that others have not developed or will not develop similar or competing products, duplicate any of the products of the Group or design around any pending patent application or patents (if any) subsequently granted in favour of the Group. Other persons may hold or receive patents which contain claims having a scope that covers products developed by the Group (whether or not patents are issued to the Group).

Risks arise where third parties own relevant Intellectual Property Rights which may cover the Group's activities. The commercial success of the Group may also depend in part on the Group not infringing Intellectual Property Rights owned by third parties. If this is the case or is likely to be the case, the Group may have to obtain appropriate licences of the third party's Intellectual Property Rights or challenge the validity of such Intellectual Property Rights in the courts. Alternatively, the Group may have to cease certain activities or processes or alter them or develop or obtain alternative products and processes, so as to avoid the third party rights. Developing such alternatives can be costly and time consuming and may require substantial unanticipated resource. If a third party asserts infringement claims in the courts, (even if without merit) then this could be costly and/or take up valuable management time. Where the Group benefits from any licences of third party Intellectual Property Rights, then it may lose that licence unless it complies with its terms.

Competition

The Group may face significant competition from organisations which have greater capital resources than the Group. There is no assurance that the Group will be able to compete successfully in such a market place.

Dependence on arrangements with third parties

The Group may enter into arrangements with third parties in respect of the development, production, marketing and commercialisation of its products where appropriate. An inability to enter into such arrangements or disagreements between the Group and any of its potential collaborators could lead to delays in the Group's product development and/or commercialisation plans and this may have a significant adverse effect on the Group's business, financial condition and results.

Risk that the products will not achieve commercial success

There can be no assurance that any of the Group's products currently in development will be successfully developed into any commercially viable product or products, meet applicable regulatory standards and/or be manufactured in commercial quantities at an acceptable cost or be marketed successfully and profitably. If the Group or its collaborators encounter delays at any stage of development and fail to successfully address such delays there may be material adverse effect on the Group's business, financial condition, and results.

In addition, the success of the Group will depend on the market's acceptance of its products and there can be no guarantee that this acceptance will be forthcoming or that the Group's technologies will succeed as an alternative to other new products. The development of a market for the products is affected by many factors, some of which are beyond the Group's control, including the emergence of newer, more successful technologies and products and the cost of the Group's products themselves. Notwithstanding the technical merits of a product developed by the Group, there can be no guarantee that the Group's targeted customer base for the product will purchase or continue to purchase the product. If a market fails to develop or develops more slowly than anticipated, the Group may be unable to recover the losses it may have incurred in the development of its products and may never achieve profitability. In addition, the Directors of the Company cannot guarantee that the Group will continue to develop, manufacture or market its products if market conditions do not support the continuation of such product.

Government regulation may cause increased costs and delays in developing/ marketing/commercializing the Group's Technology

The Group is subject to extensive regulation. The Medicines and Healthcare products Regulatory Agency ("MHRA") governs medicinal products in the UK and each EU member state has an equivalent national competent authority. A medicinal product may not be marketed in the EU without a duly granted marketing authorisation. The MHRA, the European Medicines Agency ("EMA") and other national regulatory authorities require rigorous pre-clinical testing, clinical studies and other procedures prior to approving medicinal products for human use. Numerous regulations also govern the manufacturing, safety, labelling, storage, record keeping, reporting and marketing of such medicinal products. These requirements vary widely from country to country, as does the time required to complete pre-clinical testing and clinical studies and to obtain regulatory approvals to sell medicinal products (or to vary approvals for medicinal products). The process of obtaining these approvals and complying with applicable government regulations is time

consuming and expensive and the applicable requirements vary widely from country to country, as does the time required to complete pre-clinical testing and clinical studies.

If the MHRA or other applicable regulatory authorities change their regulatory policy or adopt additional regulations during product development (for instance by increasing the number of clinical studies required for the approval of medicinal products), the Group's commercial partners could face increased costs and significant development delays before they would be able to sell their products which use the Group's Technology commercially.

The products that the Group's commercial partners market and sell would require existing authorisations to be varied to incorporate the Group's Technology, however there can be no guarantee that such variation will be approved in the anticipated time-frames or at all and thus the Group may not be able to commercialise its Technology. Furthermore, as above the current regulatory framework which governs variations may change and the Group's intended method of commercialisation may be deemed to require its commercial partners to make applications for new marketing authorisations of existing products and this would have severe timing issues which could hinder the Group's operations and profitability.

Additional capital and dilution

The Group may require additional capital in the future for expansion and/or business development which may significantly dilute the interests of existing Shareholders. If the Group is unable to obtain financing on terms acceptable to it then it may be forced to curtail its planned development. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of Shareholders may be reduced. There can be no guarantee that any further capital raisings will be successful.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

Planning uncertainty

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underlie them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Group will not differ materially from the matters described in this document.

Financial risk

There are a number of financial risks which are outside the control of the Group and which can affect revenues and/or costs, although the Group could hedge against such risks if it so desired. These include international exchange rates, interest rates, world commodity prices which in turn affect energy supplies and raw materials changes in world prices of biodiesel, inflation and international trends in trade, tariffs and protectionism and changes in the legal and regulatory framework, under which the Group intends to operate its business, including the regulation published by the MHRA and the EFSA.

Legal Risk

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for Intellectual Property Rights, an inability to enforce foreign judgments, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language.

Mitigation measures for these risks are limited.

The risks noted above do not necessarily comprise all those faced by the Group and are not intended to be an exhausted list or to be presented in any assumed order of priority.

The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him.

CONSIDERATIONS RELATING TO THE ORDINARY SHARES

Investment in AIM securities and liquidity of the Ordinary Shares

An investment in companies whose shares are traded on AIM are perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The AIM Rules are less demanding than the Official List. The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may become or may be relatively illiquid and therefore, such Ordinary Shares may be or may become difficult to sell.

The market for the Ordinary Shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of potential factors which could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may, therefore, realise less than or lose all of their investment.

Trading market for the Ordinary Shares

The share price of emerging companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Group and its operations and others to the AIM market in general including, but not limited to, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. The trading of the Ordinary Shares on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his investment in the Group than in a company whose shares are quoted on the Official List.

Dilution of shareholders' interest as a result of additional equity fundraising

As mentioned above, the Group may need to raise additional funds in the future to finance, amongst other things, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

Part IV

SECTION A

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ONL

The following is the full text of a report on Oxford Nutrascience Limited from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Oxford Nutrascience Group Plc.



BAKER TILLY
2 Bloomsbury Street
London WC1B 3ST
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The Directors
Oxford Nutrascience Group Plc
4th Floor
17 Hanover Square
London W1S 1HU

8 February 2010

Dear Sirs

OXFORD NUTRASCIENCE LIMITED (“ONL”)

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 8 February 2010 (“Admission Document”) of Oxford Nutrascience Group Plc (the “Company” or “ONG”) on the basis of the accounting policies set out in note 1 to the financial information.

This report is required by paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

For the avoidance of doubt, you have not requested us to review, comment or otherwise form an opinion on the interim financial information as at 31 August 2009 or for the period then ended.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of ONL as at 31 December 2008 and of its losses, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1 and in accordance with and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 1.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347. A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST

Part IV

SECTION B

HISTORICAL FINANCIAL INFORMATION OF ONL

Statement of Comprehensive Income For the period ended 31 December 2008

	<i>Notes</i>	<i>8 February to 31 December 2008 £</i>
Revenue	2	42,677
Cost of sales		(31,582)
Gross profit		<u>11,095</u>
Administrative expenses		(131,133)
Operating loss	3	<u>(120,038)</u>
Finance Income	5	13,520
Loss before taxation		<u>(106,518)</u>
Taxation	6	–
Loss for the period		<u>(106,518)</u>
Other comprehensive income for the period, net of tax		–
Total comprehensive income for the period		<u>(106,518)</u>
Attributable to:		
Equity holders of ONL		<u>(106,518)</u>

The loss for the period arises from ONL's continuing operations.

Statement of Changes in Equity For the period ended 31 December 2008

	<i>Attributable to the equity holders of ONL</i>			
	<i>Share Capital £</i>	<i>Share Premium £</i>	<i>Retained Deficit £</i>	<i>Total Equity £</i>
As at 8 February 2008	–	–	–	–
Loss for the period	–	–	(106,518)	(106,518)
Issue of shares	130,767	984,533	–	1,115,300
As at 31 December 2008	<u>130,767</u>	<u>984,533</u>	<u>(106,518)</u>	<u>1,008,782</u>

Statement of Financial Position
As at 31 December 2008

	<i>Notes</i>	2008 £
Assets		
<i>Non-current assets</i>		
Intangible assets	7	1,046
<i>Current assets</i>		
Inventories	8	19,175
Trade and other receivables	9	40,202
Cash and cash equivalents	10	988,967
		<u>1,048,344</u>
Total assets		<u>1,049,390</u>
Liabilities		
<i>Current liabilities</i>		
Trade and other payables	11	(40,608)
Total liabilities		<u>(40,608)</u>
Net assets		<u>1,008,782</u>
Equity		
Attributable to equity holders of ONL		
Share capital	12	130,767
Share premium	13	984,533
Retained deficit		(106,518)
Net equity		<u>1,008,782</u>

Statement of Cash Flows
For the period ended 31 December 2008

	<i>Notes</i>	<i>8 February to 31 December 2008</i>
		<i>£</i>
Operating activities		
Operating loss		(120,038)
<i>Adjustments for non-cash items:</i>		
Amortisation of intangible assets	7	116
Increase in inventories		(19,175)
Increase in trade and other receivables		(40,202)
Increase in trade and other payables		40,608
Net cash outflow from operations		<u>(138,691)</u>
Investing activities		
Purchase of intangible assets	7	(1,162)
Interest received	5	13,520
Net cash inflow from investing activities		<u>12,358</u>
Financing activities		
Proceeds from issue of share capital	12, 13	1,115,300
Net cash inflow from financing activities		<u>1,115,300</u>
Increase in cash and cash equivalents		988,967
Cash and cash equivalents at start of period		–
Cash and cash equivalents at 31 December 2008	17	988,967

Oxford Nutrascience Limited
Notes to the Financial Information
For the period ended 31 December 2008

1) ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial information has been prepared by the Directors in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) as well as interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as adopted by the European Union.

Application of IFRS 1 First-time adoption of International Financial Reporting Standards

The transition to IFRS has been accounted for in accordance with IFRS 1 First-time adoption of International Financial Reporting Standards, with 8 February 2008 being the date of transition.

At 8 February 2008, ONL early adopted the revised IAS 1 ‘Presentation of Financial Statements’ which is effective for accounting periods commencing on or after 1 January 2009. The previous version of IAS 1 used the titles ‘balance sheet’ and ‘cash flow statement’. Revised IAS 1 uses ‘statement of financial position’ and ‘statement of cash flows’ for those statements respectively.

ONL has presented income and expenses in one statement, a statement of comprehensive income, which is separate from owner changes in equity, as required by IAS 1. Components of other comprehensive income, being items of income and expense not recognised in profit or loss as permitted by other IFRS, are also displayed in the statement of comprehensive income.

Application of IFRS 8 Operating Segments

At 8 February 2008, ONL early adopted IFRS 8 ‘Operating Segments’ which is effective for accounting periods commencing on or after 1 January 2009. This IFRS replaces IAS 14 ‘Segmental Reporting’ which required identification of two sets of segments—one set based on products and services, and the other on geographical areas. IAS 14 regarded one set as primary segments and the other as secondary segments. Further, IAS 14 required segment information to be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the entity.

IFRS 8 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and assess its performance. The IFRS further requires the amount reported for each operating segment to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

Application of IFRS 7 Financial Instruments: disclosures (amendments)

At 8 February 2008, ONL early adopted the amendments to IFRS 7 ‘Financial Instruments: disclosures’ which is effective for accounting periods commencing on or after 1 January 2009. The Directors do not believe that the adoption of these amendments have had a material impact on the financial information of ONL as none of ONL’s financial instruments are measured at fair value. The most significant asset held to manage liquidity risk is cash, as detailed in note 17.

Historical Cost Convention

The financial information has been prepared on the historic cost basis. The principal accounting policies applied are set out below.

SEGMENTAL REPORTING

The reportable disclosures are identified by the chief operating decision maker by the way management has organised the firm. The firm operates out of one location and produces one product.

The chief operating decision maker reviews the performance of ONL based on total revenues and costs and not by any segmental reporting.

REVENUE

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the normal course of business, net of discounts, VAT and other sales related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow in to ONL.

FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are charged to profit or loss as they are incurred.

The functional and presentational currency of ONL is British pounds.

RESEARCH AND DEVELOPMENT

Research costs are charged to profit or loss as they are incurred. Certain development costs will be capitalised as intangible assets when it is probable that the future economic benefits will flow to ONL. Such intangible assets will be amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for an indication of impairment at each balance sheet date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The criteria for recognising expenditure as an asset are:

- it is technically feasible to complete the product;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development, use or sell the product; and
- expenditure attributable to the product can be reliably measured.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No development costs to date have been capitalised as intangible assets.

LEASES

Rental payable under operating leases, which are leases where the lessor retains a significant proportion of the risks and benefits of the asset are charged in the income statement on a straight line basis over the expected lease term.

INTANGIBLE ASSETS

Patent costs and trademarks are stated at historic cost net of amortisation and any provision for impairment. Patent costs and trademarks are amortised over their useful economic life of 10 years on a straight line basis. Amortisation is included within Administrative Expenses in the Statement of Comprehensive Income.

IMPAIRMENT OF INTANGIBLE ASSETS

At each balance sheet date, ONL reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Discounted cash flow valuation techniques are generally applied for assessing recoverable amounts using three year forward looking cash flow projections and terminal value estimates, together with discount rates appropriate to the risk of the related cash generating units.

The recoverable amount of the intangible asset is the higher of its value in use and its fair value less costs to sell. Discounted cash flows are used to calculate the recoverable amounts which are based on cash generating units where assets do not generate cash flows independent from other assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

SHARE BASED PAYMENTS

Equity settled share-based payment transactions are measured with reference to the fair value at the date of grant, recognised on a straight line basis over the vesting period, based on ONL's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes model.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

FINANCIAL ASSETS AND LIABILITIES

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence that ONL will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal. Cost is determined using the first in first out method of valuation. Provision is made for slow moving or obsolete items.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

TAXATION

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

The tax currently payable is based on taxable profit for the period. ONL's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and 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. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial information are discussed below:

Equity settled share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the future volatility of the share price of comparable companies, ONL's expected dividend yields, risk free interest rates and expected lives of the options. The Directors draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations.

Research and development costs

Careful judgment by the Directors is applied when deciding whether the recognition requirements for capitalising development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems. Judgements are based on the information available at each Balance Sheet date which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors.

No development costs to date have been capitalised as intangible assets.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

At the date of authorisation of the financial information, the following Standards and Interpretations relevant to the operations of ONL, which have not yet been applied in this financial information, were in issue but not yet effective:

		<i>Effective for periods commencing on or after</i>
IFRS 2	Share based payments (amendments)	1 January 2009
IFRS 3	Business combination (revision)	1 July 2009
IFRS 8	Operating segments (amendments)	1 January 2010
IAS 7	Statement of Cash Flows (amendments)	1 January 2010
IAS 17	Leases (amendments)	1 January 2010
IAS 19	Employee benefits (amendments)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (amendments)	1 January 2009
IAS 32	Financial Instruments: Presentation (amendments)	1 January 2009
IAS 36	Impairment of Assets (amendments)	1 January 2009
IAS 36	Impairment of Assets (amendments)	1 January 2010
IAS 38	Intangible Assets (amendments)	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement (amendments)	1 January 2009

The Directors do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the financial information of ONL.

2) SEGMENTAL REPORTING

The chief operating decision maker is Nigel Theobald who reviews the reports of ONL as one segment only. The review of ONL's operating results is not broken down into other segments.

Revenue represents amounts derived from the sale of products which fall within ONL's ordinary activities after taking deduction of trade discounts and value added tax. ONL's revenue is solely attributable to the sale of a calcium chew supplement, Ellactiva. The revenues were generated in two main geographic areas, based on the customer's location, although all are managed in the UK. ONL's revenue per customer orientation is as follows:

	<i>8 February to 31 December 2008</i>
<i>Continuing operations</i>	£
Revenue	
UK*	22,830
Middle East**	19,847
	<hr/>
	42,677
	<hr/>

* 76% of the UK revenue is generated from one customer

** 100% of the Middle East revenue is generated from one customer

All ONL's assets are held in the UK and all of its capital expenditure arises in the UK.

3) LOSS FROM OPERATIONS

8 February to
31 December 2008
£

Loss from operations is stated after charging to administrative expenses:

Amortisation of intangible assets (see note 7)	116
Other operating lease rentals	4,090
Staff costs (see note 4)	63,521
Foreign exchange losses	266
Research and development	35,314
	<hr/>

4) STAFF COSTS

8 February to
31 December 2008
Number

The average monthly number of persons (including directors) employed
by ONL during the period was:

Administration and management	3
	<hr/>

8 February to
31 December 2008
£

The aggregate remuneration, including directors, comprised:

Wages and salaries	56,875
Social security costs	6,646
	<hr/>
	63,521
	<hr/>

5) FINANCE INCOME

8 February to
31 December 2008
£

Bank interest receivable	13,520
	<hr/>

6) TAXATION

*8 February to
31 December 2008*
£

Current tax:

UK corporation tax on losses of period –

Deferred tax:

Origination and reversal of timing differences –

Tax on loss on ordinary activities –

The charge for the period can be reconciled to the loss before tax per the Statement of Comprehensive Income as follows:

*8 February to
31 December 2008*
£

The tax assessed for the period varies from the small company rate of corporation tax as explained below:

Loss on ordinary activities before tax (106,518)

Tax at the standard rate of corporation tax (20.8%) (22,156)

Effects of:

Expenses not deductible for tax purposes 80

Online filing tax incentive (21)

Unutilised tax losses 22,316

Effective change in UK corporation tax rate (219)

Tax charge for the period –

ONL has tax losses of £106,232 available to carry forward against future trading profit. ONL has not recognised a deferred tax asset of £22,316 relating to these losses as their recoverability is uncertain.

7) INTANGIBLE ASSETS

*Patents &
trademarks*
£

Cost

At 8 February 2008 –

Additions 1,162

At 31 December 2008 1,162

Depreciation

At 8 February 2008 –

Charge for the period 116

At 31 December 2008 116

Net book value

At 31 December 2008 1,046

At 8 February 2008 –

8) INVENTORIES

	2008 £
Raw materials and consumables	<u>19,175</u>

The inventory expensed to cost of sales in the period is £31,582 and there has been no write off of inventory in the period.

9) TRADE AND OTHER RECEIVABLES

	2008 £
Trade receivables	21,382
Other receivables	5,065
Prepayments and accrued income	13,755
	<u>40,202</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

No provisions are held against receivables and no amounts past due have been impaired.

10) RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

Capital risk management

ONL manages its capital to ensure that ONL will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of ONL consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 12 and 13 and in the Statement of Changes in Equity.

ONL is exposed to a number of risks through its normal operations, the most significant of which are market, credit and liquidity risks. The management of these risks is vested with the Board of Directors.

Categorisation of financial instruments

	<i>Loans and receivables</i> £	<i>Financial liabilities at amortised cost</i> £	<i>Total</i> £
<i>Financial assets/(liabilities)</i>			
At 31 December 2008			
Trade and other receivables	24,248	–	24,248
Cash and cash equivalents	988,967	–	988,967
Trade and other payables	–	(38,150)	(38,150)
TOTAL	<u>1,013,215</u>	<u>(38,150)</u>	<u>975,065</u>

ONL had no financial instruments measured at fair value through profit and loss.

Management of market risk

The most significant area of market risk to which ONL is exposed is interest risk.

As ONL has no significant interest bearing borrowings its risk is limited to the reduction of interest received on cash surpluses held. The principal impact to ONL is the result of interest-bearing cash and cash equivalent balances held as set out below:

	<i>At 31 December 2008</i>		
	<i>Fixed rate</i>	<i>Floating rate</i>	<i>Total</i>
	£	£	£
Cash and cash equivalents	475,000	513,967	988,967

The impact of an increase/decrease by 10 percentage point in the rate of interest earned on the above interest-bearing cash and cash equivalent balances would have an immaterial impact on ONL's pre tax results for the period and on equity

Market risk also arises on foreign exchange risk. ONL operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to purchases in Euros. At 31 December 2008 ONL had no assets or liabilities denominated in foreign currencies.

Management of credit risk

ONL's principal financial assets are bank balances and cash.

ONL deposits surplus liquid funds with counterparty banks that have high credit ratings.

The maximum exposure to credit risk on ONL's financial assets and liabilities is represented by their carrying amounts as outlined in the categorisation of financial instruments table above.

ONL does not consider that any changes in fair value of financial assets in the period are attributable to credit risk.

ONL has exposure on receivables. ONL minimises exposure to credit risk by entering into formal contracts with its major customers, as well as using credit checks.

Management of liquidity risk

ONL seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. ONL deems there is sufficient liquidity for the foreseeable future.

ONL had cash and cash equivalents at 31 December 2008 of £988,967.

As at 31 December 2008 all financial assets and liabilities mature for payment within one year.

11) TRADE AND OTHER PAYABLES

	<i>2008</i>
	£
Trade payables	36,977
Other payables	473
Taxes and social security	2,458
Accruals	700
	<u>40,608</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

12) SHARE CAPITAL

	<i>Ordinary shares of 1p each Number</i>	<i>Ordinary A shares of 0.01p each Number</i>	<i>Ordinary shares of 1p each £</i>	<i>Ordinary A shares of 0.01p each £</i>	<i>Total £</i>
Authorised:					
At 8 February 2008	–	–	–	–	–
Authorised ordinary shares	49,970,000	–	499,700	–	499,700
Authorised ordinary A shares	–	3,000,000	–	300	300
At 31 December 2008	<u>49,970,000</u>	<u>3,000,000</u>	<u>499,700</u>	<u>300</u>	<u>500,000</u>
Allotted, issued and fully paid shares:					
At 8 February 2008	–	–	–	–	–
Proceeds from issue of ordinary shares	13,046,666	–	130,467	–	130,467
Proceeds from issue of ordinary A shares	–	3,000,000	–	300	300
At 31 December 2008	<u>13,406,666</u>	<u>3,000,000</u>	<u>130,467</u>	<u>300</u>	<u>130,767</u>

ONL was incorporated on 8 February 2008, on which date the authorised share capital was £500,000 divided into 50,000,000 ordinary shares of 1p, of which 2 ordinary shares were issued at par value.

On 12 February 2008, ONL allotted and issued 1,500,000 ordinary shares of 1p each for cash at par value.

On 2 April 2008, ONL allotted and issued 8,999,998 ordinary shares of 1p each for cash at par value.

On 10 June 2008, ONL allotted and issued 3,466,666 ordinary shares of 1p each for cash at a price of 6p resulting in cash subscriptions receipts of £208,000, and which gave rise to a share premium of £173,333 (see note 13).

On 7 July 2008, ONL purchased for cash and subsequently cancelled 3,000,000 ordinary shares of 1p; the shares were acquired at 0.01p being the amount of the share paid up at that time.

The purpose of this buy back was to facilitate the split of 30,000 ordinary 1p shares into 3,000,000 0.01p shares to be reclassified as ordinary A Shares. This was in order to restructure the shareholding at that date in view of future investment.

On 7 July 2008, ONL authorised 3,000,000 ordinary A shares of 0.01p; 3,000,000 were issued for cash at par value, which are ranked *pari passu* in all respects with the ordinary shares.

On 27 August 2008, ONL allotted and issued 2,080,000 ordinary shares of 1p each for cash at a price of 40p resulting in cash subscriptions receipts of £832,000, and which gave rise to a share premium of £811,200 (see note 13).

13) SHARE PREMIUM

	<i>Share Premium £</i>
At 8 February 2008	–
Premium on issue of shares	984,533
At 31 December 2008	<u>984,533</u>

14) COMMITMENTS

Operating lease commitments

ONL leases premises under non-cancellable operating lease agreements. The future aggregate minimum lease and service charge payments under non-cancellable operating leases are as follows:

	<i>31 December 2008</i>
	£
Land and buildings:	
Expiring in less than one year	280
	<hr/>

15) RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

ONL's key management personnel comprise only the directors of ONL.

During the period ONL entered into the following transactions in which its directors had an interest:

Directors' remuneration:

Remuneration received by the directors from ONL is set out below:

	<i>Salaries & fees £000</i>	<i>Employer's national insurance contribution £000</i>	<i>Total £000</i>
<i>Short-term employment benefits</i>			
Nigel Theobald	56,875	6,646	63,521
Marcelo Bravo	—	—	—
David Norwood*	—	—	—
	<hr/>	<hr/>	<hr/>

* David Norwood resigned as a director on 31 December 2008.

16) EVENTS AFTER THE BALANCE SHEET DATE

On 27 January 2010, ONG acquired 100 per cent of the issued share capital of ONL by issue of 401,164,650 new ordinary shares at 1.6 pence per share, which valued ONL at £6,418,634.40.

On 4 April 2009, ONL granted 300,000 options to subscribe for ordinary shares to Nigel Theobald. All options are equity settled. The options have a grant date value of £36,922, an exercise price of 40p and the vesting period is generally 1 or 3 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire.

150,000 options are subject to performance conditions based on revenue and market based targets.

There were no share options outstanding at 31 December 2008 which were eligible to be exercised.

17) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks, and cash held on short term deposit. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

	£
Cash on hand and balances with bank	513,967
Cash held on short-term deposits	475,000
At 31 December 2008	<hr/> 988,967 <hr/>

18) ULTIMATE CONTROLLING PARTY

In the opinion of the Directors there is no ultimate controlling party. However, for the purposes of the City Code, attention is drawn to the Concert Party referred to in Part II of this document.

PART V

UNAUDITED INTERIM FINANCIAL INFORMATION OF ONL

Statement of Comprehensive Income For the period ended 31 August 2009

	<i>Notes</i>	<i>Audited Period to 31 December 2008 £</i>	<i>Unaudited Period to 31 August 2009 £</i>
Revenue	2	42,677	35,502
Cost of sales		(31,582)	(26,920)
Gross profit		11,095	8,583
Administrative expenses	3	(131,133)	(182,824)
Operating loss	3	(120,038)	(174,241)
Finance Income	6	13,520	9,502
Loss before taxation		(106,518)	(164,739)
Taxation	7	–	–
Loss for the period		(106,518)	(164,739)
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period		(106,518)	(164,739)
Attributable to:			
Equity holders of ONL		(106,518)	(164,739)

Comparative figures comprise the period from incorporation on 8 February 2008 to 31 December 2008.

The loss for the period arises from ONL's continuing operations.

Statement of Changes in Equity For the period ended 31 August 2009

	<i>Attributable to the equity holders of ONL</i>				
	<i>Share Based</i>				
	<i>Share Capital £</i>	<i>Share Premium £</i>	<i>Payment Reserve £</i>	<i>Retained Deficit £</i>	<i>Total Equity £</i>
As at 8 February 2008	–	–	–	–	–
Loss for the period	–	–	–	(106,518)	(106,518)
Issue of shares	130,767	984,533	–	–	1,115,300
As at 31 December 2008	130,767	984,533	–	(106,518)	1,008,782
Loss for the period	–	–	–	(164,739)	(164,739)
Share based payment	–	–	10,560	–	10,560
As at 31 August 2009	130,767	984,533	10,560	(271,257)	854,603

Statement of Financial Position
As at 31 August 2009

	<i>Notes</i>	<i>Audited</i> 2008 £	<i>Unaudited</i> 2009 £
Assets			
<i>Non-current assets</i>			
Intangible assets	8	1,046	5,320
<i>Current assets</i>			
Inventories	9	19,175	18,352
Trade and other receivables	10	40,202	15,374
Cash and cash equivalents	11	988,967	843,720
		<u>1,048,344</u>	<u>877,446</u>
Total assets		<u>1,049,390</u>	<u>882,766</u>
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	12	(40,608)	(28,163)
Total liabilities		<u>(40,608)</u>	<u>(28,163)</u>
Net assets		<u>1,008,782</u>	<u>854,603</u>
Equity			
Attributable to equity holders of ONL			
Share capital	13	130,767	130,767
Share premium	14	984,533	984,533
Share based payment reserve	5	–	10,560
Retained deficit		(106,518)	(271,257)
Net equity		<u>1,008,782</u>	<u>854,603</u>

Statement of Cash Flows
For the period ended 31 August 2009

		<i>Audited</i>	<i>Unaudited</i>
		<i>Period to</i>	<i>Period to</i>
		<i>31 December</i>	<i>31 August</i>
		<i>2008</i>	<i>2009</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Operating activities			
Operating loss		(120,038)	(174,241)
Adjustments for non-cash items:			
Share based payment	5	–	10,560
Amortisation of intangible assets	8	116	77
Decrease/(increase) in inventories		(19,175)	823
Decrease/(increase) in trade and other receivables		(40,202)	15,232
(Decrease)/increase in trade and other payables		40,608	(2,849)
Net cash outflow from operations		<u>(138,691)</u>	<u>(150,398)</u>
Investing activities			
Purchase of intangible assets	8	(1,162)	(4,351)
Interest received		13,520	9,502
Net cash inflow from investing activities		<u>12,358</u>	<u>5,151</u>
Financing activities			
Proceeds from issue of share capital	13, 14	1,115,300	–
Net cash inflow from financing activities		<u>1,115,300</u>	<u>–</u>
(Decrease)/increase in cash and cash equivalents		988,967	(145,247)
Cash and cash equivalents at start of period		–	988,967
Cash and cash equivalents at 31 August 2009	17	<u>988,967</u>	<u>843,720</u>

Comparative figures comprise the period from incorporation on 8 February 2008 to 31 December 2008.

Oxford Nutrascience Limited
Notes to the Financial Information
For the period ended 31 August 2009

1. ACCOUNTING POLICIES

Basis of Accounting

The financial information have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) as well as interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as adopted by the European Union.

The accounts have been prepared in accordance with IFRS 34: *Interim Financial Reporting*.

ONL has presented income and expenses in one statement, a statement of comprehensive income, which is separate from owner changes in equity, as required by IAS 1. Components of other comprehensive income, being items of income and expense not recognised in profit or loss as permitted by other IFRS, are also displayed in the statement of comprehensive income.

Historical Cost Convention

The financial information has been prepared on the historic cost basis. The principal accounting policies applied are set out below.

Segmental Reporting

The reportable disclosures are identified by the chief operating decision maker by the way management has organised the firm. The firm operates out of one location and produces one product.

The chief operating decision maker reviews the performance of ONL based on total revenues and costs and not by any segmental reporting.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the normal course of business, net of discounts, VAT and other sales related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow in to ONL.

Foreign Currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are charged to profit or loss as they are incurred.

The functional and presentational currency of ONL is British pounds.

Research and Development

Research costs are charged to profit and loss as they are incurred. Certain development costs will be capitalised as intangible assets when it is probable that the future economic benefits will flow to ONL. Such intangible assets will be amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for an indication of impairment at each balance sheet date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The criteria for recognising expenditure as an asset are:

- it is technically feasible to complete the product;
- management intends to complete the product and use or sell it;

- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development, use or sell the product; and
- expenditure attributable to the product can be reliably measured.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No development costs to date have been capitalised as intangible assets.

Leases

Rental payable under operating leases, which are leases where the lessor retains a significant proportion of the risks and benefits of the asset, are charged in the income statement on a straight line basis over the expected lease term.

Intangible Assets

Patent costs and trademarks are stated at historic cost net of amortisation and any provision for impairment. Patent costs and trademarks are amortised over their useful economic life of 10 years years on a straight line basis. Amortisation is included within Administrative Expenses in the Statement of Comprehensive Income.

Impairment of Intangible Assets

At each balance sheet date, ONL reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Discounted cash flow valuation techniques are generally applied for assessing recoverable amounts using three year forward looking cash flow projections and terminal value estimates, together with discount rates appropriate to the risk of the related cash generating units.

The recoverable amount of the intangible asset is the higher of its value in use and its fair value less costs to sell. Discounted cash flows are used to calculate the recoverable amounts which are based on cash generating units where assets do not generate cash flows independent from other assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Financial Assets and Liabilities

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence that ONL will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal. Cost is determined using the first in first out method of valuation. Provision is made for slow moving or obsolete items.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Share Based Payments

ONL undertakes equity settled share-based payment transactions with certain employees.

Equity settled share-based payment transactions are measured with reference to the fair value at the date of grant, recognised on a straight line basis over the vesting period, based on ONL's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes model.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

Taxation

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

The tax currently payable is based on taxable profit for the period. ONL's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and 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. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Critical Accounting Estimates and Areas of Judgement

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. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial information are discussed below:

Equity settled share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the future volatility of the share price of comparable companies, ONL's expected dividend yields, risk free interest rates and expected lives of the options. The Directors draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations.

Research and development costs

Careful judgement by the Directors is applied when deciding whether the recognition requirements for capitalising development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems. Judgements are based on the information available at each Balance Sheet date which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors.

No development costs to date have been capitalised as intangible assets.

Accounting Standards and Interpretations not applied

At the date of authorisation of the financial information, the following Standards and Interpretations relevant to the operations of ONL, which have not yet been applied in this financial information, were in issue but not yet effective:

		<i>Effective for periods commencing on or after</i>
IFRS 2	Share based payments (amendments)	1 January 2010
IFRS 3	Business combination (revision)	1 July 2009
IFRS 8	Operating segments (amendments)	1 January 2010
IAS 1	Presentation of financial statements (amendments)	1 January 2010
IAS 7	Statement of Cash Flows (amendments)	1 January 2010
IAS 17	Leases (amendments)	1 January 2010
IAS 27	Consolidated and Separate Financial Statements (amendments)	1 July 2009
IAS 32	Financial Instruments: Presentation (amendments)	1 February 2010
IAS 36	Impairment of Assets (amendments)	1 January 2010
IAS 38	Intangible Assets (amendments)	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement (amendments)	1 July 2009

The Directors do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the financial information of ONL.

2. SEGMENTAL REPORTING

The chief operating decision maker is Nigel Theobald who reviews the reports of ONL as one segment only. The review of ONL's operating results is not broken down into other segments.

Revenue represents amounts derived from the sale of products which fall within ONL's ordinary activities after taking deduction of trade discounts and Value Added Tax. ONL's revenue is solely attributable to the sale of a calcium chew supplement, Ellactiva. The revenues were generated in two main geographic areas, based on the customer's location, although all are managed in the UK. ONL's revenue per customer orientation is as follows:

	<i>Audited</i> <i>Period to</i> <i>31 December</i> 2008 £	<i>Unaudited</i> <i>Period to</i> <i>31 August</i> 2009 £
<i>Continuing operations</i>		
Revenue		
UK*	22,830	26,642
Middle East**	19,847	8,860
	<u>42,677</u>	<u>35,502</u>

* 99% of the UK revenue is generated from one customer (period to 31 December 2008: 76%)

** 100% of the Middle East revenue is generated from one customer (period to 31 December 2008: 100%)

All ONL's assets are held in the UK and all of its capital expenditure arises in the UK.

3. LOSS FROM OPERATIONS

	<i>Audited</i> <i>Period to</i> <i>31 December</i> 2008 £	<i>Unaudited</i> <i>Period to</i> <i>31 August</i> 2009 £
Loss from operations is stated after charging to administrative expenses:		
Amortisation of intangible assets (see note 8)	116	77
Other operating lease rentals	4,090	1,955
Staff costs (see note 4)	63,521	77,761
Foreign exchange losses	266	–
Research and development	35,314	42,741
Auditors remuneration:		
Fees payable to ONL's auditor for the audit of ONL's accounts	–	13,333

4. STAFF COSTS

	<i>Audited Period to 31 December 2008 Number</i>	<i>Unaudited Period to 31 August 2009 Number</i>
The average monthly number of persons (including directors) employed by ONL during the period was:		
Administration and management	3	2
	<hr/>	<hr/>
	<i>Audited Period to 31 December 2008 £</i>	<i>Unaudited Period to 31 August 2009 £</i>
The aggregate remuneration, including directors, comprised:		
Wages and salaries	56,875	60,000
Social security costs	6,646	7,201
Share based payments	–	10,560
	<hr/>	<hr/>
	63,521	77,761
	<hr/>	<hr/>

5. SHARE BASED PAYMENTS

ONL operates a share option plan, under which certain directors have been granted options to subscribe for ordinary shares. All options are equity settled. The options have an exercise price of 40p and the vesting period was generally 1 or 3 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. ONL has no legal or constructive obligation to repurchase or settle the options in cash. The number and weighted average exercise prices of share options are as follows:

	<i>Number of share options</i>	<i>Weighted average exercise price per share (pence)</i>
At 8 February 2008 and 31 December 2008	–	–
Granted during the period	300,000	40
	<hr/>	<hr/>
Outstanding at 31 August 2009	300,000	40
	<hr/>	<hr/>

There were no share options outstanding at 31 August 2009 which were eligible to be exercised. To date no share options have been exercised, lapsed or forfeited. There are no market based vesting conditions attached to any of the share options outstanding at 31 August 2009.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This is estimated based on the Black Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise price and the payment of the dividends by ONL. The following table lists the inputs to the model used for the period ended 31 August 2009, market conditions are assumed to be met during the vesting period:

	<i>Granted period to 31 August 2009</i>
Dividend yield	–
Expected volatility	50%
Risk free interest rate	0.5%
Expected vesting life of options	1-3 years
Weighted average exercise price	40p
Weighted average share price at date of grant	40p
	<hr/>

A charge has been recognised in the Statement of Comprehensive Income of £10,560 for the period (period to 31 December 2008: £nil).

6. FINANCE INCOME

	<i>Audited</i> <i>Period to</i> <i>31 December</i> <i>2008</i> £	<i>Unaudited</i> <i>Period to</i> <i>31 August</i> <i>2009</i> £
Bank interest receivable	13,520	9,502

7. TAXATION

	<i>Audited</i> <i>Period to</i> <i>31 December</i> <i>2008</i> £	<i>Unaudited</i> <i>Period to</i> <i>31 August</i> <i>2009</i> £
Current tax:		
UK corporation tax on losses of period	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Tax on loss on ordinary activities	–	–

The charge for the period can be reconciled to the loss before tax per the Statement of Comprehensive Income as follows:

	<i>Audited</i> <i>Period to</i> <i>31 December</i> <i>2008</i> £	<i>Unaudited</i> <i>Period to</i> <i>31 August</i> <i>2009</i> £
The tax assessed for the period varies from the small company rate of corporation tax as explained below:		
Loss on ordinary activities before tax	(106,518)	(164,739)
Tax at the standard rate of corporation tax 21.0% (2008:20.8%)	(22,156)	(34,595)
Effects of:		
Expenses not deductible for tax purposes	80	16
Online filing tax incentive	(21)	–
Unutilised tax losses	22,316	34,579
Change in UK corporation tax rate	(219)	–
Tax charge for the period	–	–

ONL has estimated losses of £164,739 (2008: loss of £106,518) available for carry forward against future trading profit. ONL has not recognised a deferred tax asset of £56,895 relating to these losses as their recoverability is uncertain (2008: £22,316).

8. INTANGIBLE ASSETS

	<i>Patents & trademarks</i>
	£
Cost	
At 8 February 2008	–
Additions	1,162
At 31 December 2008	1,162
Additions	4,351
At 31 August 2009	5,513
Amortisation	
At 8 February 2008	–
Charge for the period	116
At 31 December 2008	116
Charge for the period	77
At 31 August 2009	193
Net book value	
At 31 August 2009	5,320
At 31 December 2008	1,046
At 8 February 2008	–

9. INVENTORIES

	<i>Audited</i>	<i>Unaudited</i>
	<i>31 December</i>	<i>31 August</i>
	<i>2008</i>	<i>2009</i>
	£	£
Raw materials and consumables	19,175	18,352

The inventory expensed to cost of sales in the period is £25,287 (period to 31 December 2008: £31,582) and there has been no write off of inventory in the period.

10. TRADE AND OTHER RECEIVABLES

	<i>Audited</i>	<i>Unaudited</i>
	<i>31 December</i>	<i>31 August</i>
	<i>2008</i>	<i>2009</i>
	£	£
Trade receivables	21,382	12,004
Other receivables	5,065	2,077
Prepayments and accrued income	13,755	1,293
	40,202	15,374

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

No provisions are held against receivables and no amounts past due have been impaired.

11. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

Capital risk management

ONL manages its capital to ensure that ONL will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of ONL consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 13 and 14, and in the Statement of Changes in Equity.

ONL is exposed to a number of risks through its normal operations, the most significant of which are market, credit and liquidity risks. The management of these risks is vested with the Board of Directors.

Categorisation of financial instruments

Financial assets/(liabilities)

	<i>Loans and receivables</i>	<i>Financial liabilities at amortised cost</i>	<i>Total</i>
	£	£	£
At 31 December 2008			
Trade and other receivables	24,248	–	24,248
Cash and cash equivalents	988,967	–	988,967
Trade and other payables	–	(38,150)	(38,150)
TOTAL	<u>1,013,215</u>	<u>(38,150)</u>	<u>975,065</u>

	<i>Loans and receivables</i>	<i>Financial liabilities at amortised cost</i>	<i>Total</i>
	£	£	£
At 31 August 2009			
Trade and other receivables	12,004	–	12,004
Cash and cash equivalents	843,720	–	843,720
Trade and other payables	–	(24,640)	(24,640)
TOTAL	<u>855,724</u>	<u>(24,640)</u>	<u>831,084</u>

ONL had no financial instruments measured at fair value through profit and loss.

Management of market risk

The most significant area of market risk to which ONL is exposed is interest risk.

As ONL has no significant interest bearing borrowings its risk is limited to the reduction of interest received on cash surpluses held. The principal impact to ONL is the result of interest-bearing cash and cash equivalent balances held as set out below:

	<i>Audited 31 December 2008</i>			<i>Unaudited 31 August 2009</i>		
	<i>Fixed rate</i>	<i>Floating rate</i>	<i>Total</i>	<i>Fixed rate</i>	<i>Floating rate</i>	<i>Total</i>
	£	£	£	£	£	£
Cash and cash equivalents	<u>475,000</u>	<u>513,967</u>	<u>988,967</u>	<u>200,000</u>	<u>643,720</u>	<u>843,720</u>

The impact of an increase/decrease by 10 percentage point in the rate of interest earned on the above interest-bearing cash and cash equivalent balances would have an immaterial impact on ONL's pre tax results for the period and on equity.

Market risk also arises on foreign exchange risk. ONL operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to purchases in Euros. At 31 August 2009 ONL had no assets or liabilities denominated in foreign currencies.

Management of credit risk

ONL's principal financial assets are bank balances and cash.

ONL deposits surplus liquid funds with counterparty banks that have high credit ratings.

The maximum exposure to credit risk on ONL's financial assets is represented by their carrying amounts as outlined in the categorisation of financial instruments table above.

ONL does not consider that any changes in fair value of financial assets or liabilities in the period are attributable to credit risk.

ONL has exposure on receivables. ONL minimises exposure to credit risk by entering into formal contracts with its major customers, as well as using credit checks.

Management of liquidity risk

ONL seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. ONL deems there is sufficient liquidity for the foreseeable future.

ONL had cash and cash equivalents at 31 August 2009 of £843,720 (31 December 2008: £988,967).

As at 31 August 2009 all financial assets and liabilities mature for payment within one year.

12. TRADE AND OTHER PAYABLES

	<i>Audited</i> <i>31 December</i> <i>2008</i>	<i>Unaudited</i> <i>31 August</i> <i>2009</i>
	£	£
Trade payables	36,977	9,495
Other payables	473	181
Taxes and social security	2,458	3,522
Accruals	700	14,965
	<u>40,608</u>	<u>28,163</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

13. SHARE CAPITAL

	<i>Ordinary shares of 1p each Number</i>	<i>Ordinary A shares of 0.01p each Number</i>	<i>Ordinary shares of 1p each £</i>	<i>Ordinary A shares of 0.01p each £</i>	<i>Total £</i>
Authorised:					
At 8 February 2008	–	–	–	–	–
Authorised ordinary shares	49,970,000	–	499,700	–	499,700
Authorised ordinary A shares	–	–	3,000,000	300	300
At 31 December 2008 and 31 August 2009	<u>49,970,000</u>	<u>3,000,000</u>	<u>499,700</u>	<u>300</u>	<u>500,000</u>
Allotted, issued and fully paid shares:					
At 8 February 2008	–	–	–	–	–
Proceeds from issue of ordinary shares	13,046,666	–	130,467	–	130,467
Proceeds from issue of ordinary A shares	–	3,000,000	–	300	300
At 31 December 2008 and 31 August 2009	<u>13,406,666</u>	<u>3,000,000</u>	<u>130,467</u>	<u>300</u>	<u>130,767</u>

ONL was incorporated on 8 February 2008, on which date the authorised share capital was £500,000 divided into 50,000,000 ordinary shares of 1p, of which 2 ordinary shares were issued at par value.

On 12 February 2008, ONL allotted and issued 1,500,000 ordinary shares of 1p each for cash at par value.

On 2 April 2008, ONL allotted and issued 8,999,998 ordinary shares of 1p each for cash at par value.

On 10 June 2008, ONL allotted and issued 3,466,666 ordinary shares of 1p each for cash at a price of 6p resulting in cash subscriptions receipts of £208,000 and which gave rise to a share premium of £173,333 (see note 14).

On 7 July 2008, ONL purchased for cash and subsequently cancelled 3,000,000 ordinary shares of 1p; the shares were acquired at 0.01p being the amount of the share paid up at that time.

The purpose of this buy back was to facilitate the split of 30,000 ordinary 1p shares into 3,000,000 0.01p shares to be reclassified as Ordinary A Shares. This was in order to restructure the shareholding at that date in view of future investment.

On 7 July 2008, ONL authorised 3,000,000 ordinary A shares of 0.01p; 3,000,000 were issued for cash at par value, which are ranked *pari passu* in all respects with the ordinary shares.

On 27 August 2008, ONL allotted and issued 2,080,000 ordinary shares of 1p each for cash at a price of 40p resulting in cash subscriptions receipts of £832,000 and which gave rise to a share premium of £811,200 (see note 14).

14. SHARE PREMIUM

	<i>Share Premium £</i>
At 8 February 2008	–
Premium on issue of shares	984,533
At 31 December 2008 and 31 August 2009	<u>984,533</u>

15. COMMITMENTS

Operating lease commitments

ONL leases premises under non-cancellable operating lease agreements. The future aggregate minimum lease and service charge payments under non-cancellable operating leases are as follows:

	<i>Audited 31 December 2008 £</i>	<i>Unaudited 31 August 2009 £</i>
Land and buildings: Expiring in less than one year	<u>280</u>	<u>280</u>

16. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

ONL's key management personnel comprise only the directors of ONL.

During the period ONL entered into the following transactions in which its directors had an interest:

Directors' remuneration:

Remuneration received by the Directors from ONL is set out below:

	<i>Salaries & fees £000</i>	<i>2009 Employer's national insurance contribution £000</i>	<i>Total £000</i>	<i>2008 Total £000</i>
Short-term employment benefits				
Nigel Theobald	60,000	7,201	67,201	63,521
Marcelo Bravo	–	–	–	–
David Norwood*	–	–	–	–

* David Norwood resigned on 31 December 2008

17. EVENTS AFTER THE BALANCE SHEET DATE

On 27 January 2010, ONG acquired 100 per cent of the issued share capital of ONL by the issue of 401,164,650 new ordinary shares at 1.6 pence per share, which valued ONL at £6,418,634.40.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of cash in hand and balances with banks, and cash held on short term deposit. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

	<i>Audited</i> <i>31 December</i> <i>2008</i> £	<i>Unaudited</i> <i>31 August</i> <i>2009</i> £
Cash in hand and balances with bank	513,967	643,720
Cash held on short-term deposits	475,000	200,000
At 31 December 2008	<u>988,967</u>	<u>843,720</u>

19. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors there is no ultimate controlling party. However, for the purposes of the City Code, attention is drawn to the Concert Party referred to in Part II of this document.

PART VI

ADDITIONAL INFORMATION

1 Responsibility Statements

- 1.1 The Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and there are no other facts, the omission of which is likely to affect the import of such information.
- 1.2 Each member of the Concert Party accepts responsibility for the information contained in this document relating to themselves or otherwise expressly referable to them. To the best of the knowledge and belief of each member of the Concert Party (who have taken reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

2 The Company

- 2.1 The Company was incorporated under the name of Prebiosys plc and on 27 January 2010 it changed its name, by special resolution, to Oxford Nutrascience Group Plc. Save for the operations conducted by other companies in the Group, the Company does not operate under any other name.
- 2.2 The Company is domiciled in the United Kingdom and was incorporated and registered in England and Wales on 7 October 2009 as a public limited company with registered number 7036758. On 27 January 2010, the Company obtained its trading certificate pursuant to section 761 of the CA 2006. The liability of its members is limited.
- 2.3 The Company was incorporated under the CA 2006 and its securities are governed by the CA 2006.
- 2.4 The Company's registered office is at Fourth Floor, 17 Hanover Square, London W1S 1HU. The Company's principal place of business is at Part of 1st Floor, 73 Derby Road, Melbourne, Derbyshire DE73 8FE. The telephone number of the principal places of business is +44 1332 694 310. Its website is www.oxfordnutrascience.com.
- 2.5 The Company has no administrative, management or supervisory bodies other than the Board, the remuneration committee and the audit committee. Only the non-executive Directors of the Company will sit on the remuneration and audit committees.
- 2.6 The Company's auditors are RSM Tenon Audit Limited, The Poynt, 45 Wollaton Street, Nottingham, NG1 5FW, who are members of the Institute of Chartered Accountants in England and Wales.
- 2.7 The Company has two wholly owned subsidiaries, namely:
 - 2.7.1 Oxford Nutrascience, which was incorporated in England and Wales on 8 February 2008. Its principal activities are developing and commercialising advanced delivery systems for medicines and supplements leveraging prebiotic soluble fibre technology. Oxford Nutrascience was acquired by the Company on 27 January 2010, subject to the terms of the Share Exchange Agreement, details of which are set out in paragraph 13 of this Part VI of this document; and
 - 2.7.2 Oxford Nutra Limited, which was incorporated in England & Wales on 11 January 2010 and is and has been, since incorporation, dormant.

3 Securities being admitted

- 3.1 The Ordinary Shares are ordinary shares of 0.1p each and are issued in British Pounds Sterling. The ISIN of the Ordinary Shares is GB00B3LXPB43.
- 3.2 The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Capita Registrars are responsible for keeping the Company's register of members.
- 3.3 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraphs 6.10 and 6.2 (respectively) of this Part VI.
- 3.4 The Shareholders have no right to share in the profits of the Company other than through a dividend, distribution or return of capital. Further details of such rights are set out in paragraph 6 of this Part VI.
- 3.5 Each Placing Share carries the right, on a *pari passu* basis with the Existing Ordinary Shares, to share in any surplus on a liquidation of the Company.
- 3.6 The Ordinary Shares have no redemption or conversion provisions.
- 3.7 It is anticipated that the Placing Shares will be issued on 12 February 2010, the proposed date of Admission.
- 3.8 The Ordinary Shares are freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint transferees and is in respect of only one class of shares.
- 3.9 No person has made a public takeover bid for the Company's issued share capital since incorporation.

4 Share Capital of the Company

- 4.1 The issued share capital of the Company immediately prior to Admission is as follows:

	<i>Issued and fully paid up share capital</i>	
£		<i>Number of Ordinary Shares of 0.1p</i>
401,166.65		401,166,650

- 4.2 The issued share capital of the Company immediately after Admission will be as follows:

	<i>Issued and fully paid up share capital</i>	
£		<i>Number of Ordinary Shares of 0.1p</i>
464,023.80		464,023,798

- 4.3 As permitted by the provisions of the CA 2006, the Company does not have an upper limit to its authorised share capital.
- 4.4 The Placing will result in the allotment and issue of 62,857,148 Placing Shares, diluting existing holders of Ordinary Shares by approximately 13.5 per cent.
- 4.5 At the date of incorporation, the issued share capital of the Company was £2, subscribed for by the two subscribers to the Company's memorandum of association, who were the Company's incorporation agents. On 7 October 2009 the two Ordinary Shares in the Company were transferred (as to one share each) to each of Michael Bretherton and ORA.
- 4.6 Under the Company's original articles of association, the Directors were authorised to allot shares (subject to the provisions of the CA 2006) with no maximum.

- 4.7 At a general meeting of the Company held on 27 January 2010 the Shareholders passed resolutions (“Resolutions”) approving:
- 4.7.1 the acquisition by the Company of the entire issued share capital of Oxford Nutrascience for the purposes of section 190 of the CA 2006;
 - 4.7.2 pursuant to section 551 of the CA 2006, the allotment of securities up to an aggregate nominal amount of £563,341.25;
 - 4.7.3 the adoption of the share option schemes
 - 4.7.4 pursuant to section 570 of the CA 2006, the allotment of equity securities for cash as if section 561 of the CA 2006 did not apply and such power is limited to the allotment of equity securities:
 - (a) in connection with rights issues to holders of ordinary shares;
 - (i) in connection with the acquisition by the Company of Oxford Nutrascience pursuant to the Share Exchange Agreement;
 - (ii) in connection with the grant of the Theobald Options under the Share Option Schemes; and
 - (iii) (otherwise than pursuant to paragraphs (a) to (c) above) up to a maximum aggregate nominal amount of £109,259.53; and
 - 4.7.5 the sub-division of the two £1.00 shares in the issued share capital to 2,000 shares of 0.1p each;
 - 4.7.6 the adoption of the Articles; and
 - 4.7.7 the change of name from Prebiosys plc to Oxford Nutrascience Group Plc.
- 4.8 On 27 January 2010, pursuant to the Share Exchange Agreement, the Company allotted and issued a total of 401,164,650 Ordinary Shares credited as fully paid up to 1.6p per share to the Vendors, in return for the transfer to the Company of the entire issued share capital of Oxford Nutrascience. As Michael Bretherton and ORA already held 1,000 Ordinary Shares each in the capital of the Company prior to the acquisition of the shares of Oxford Nutrascience, the consideration shares which would have otherwise been received by each of them (on the basis of a 25 for 1 share exchange formula) was reduced by 1,000 each in order to ensure that the shareholdings (in percentage terms) post completion of the ONL Acquisition were identical to the shareholdings in Oxford Nutrascience (in percentage terms) immediately before completion of the ONL Acquisition..
- 4.9 Save as described above, the Company has made no further allotments of Ordinary Shares since the date of incorporation.
- 4.10 Other than the Theobald Options no person has any rights to subscribe for Ordinary Shares.
- 4.11 No person has any rights over any of the capital of the Company and the Company has not agreed conditionally or unconditionally to grant any option over its capital.

5 Memorandum of Association

- 5.1 The Memorandum of Association reflects the subscribers’ agreement to become a member of the Company by taking at least 1 share each.

6 Articles of Association

6.1 *Model articles*

The model articles of association set out in the Companies (Model Articles) Regulations 2008 are excluded and a new set have been adopted by ONG. The liability of the members is limited to any unpaid capital on the shares held by them.

6.2 *Voting Rights*

Subject to any special rights or restrictions as to voting attached to any shares and subject to any suspension or abrogation of voting rights pursuant to the Articles at a general meeting, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corpORation) who is present by a duly authorised representative not being himself a member, shall have one vote, so however that no individual shall have more than one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

6.3 *General Meetings of Shareholders*

All general meetings which are not annual general meetings are general meetings. General meetings may be called by directors whenever they think fit or within not more than 21 days of receipt of a requisition of members served in accordance with the Act, in which case the general meeting must be convened for a date not more than 28 days after the date of the notice convening the meeting. If there are insufficient directors in the UK to form a quorum, any director or two members may convene an general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the directors.

An annual general meeting shall be called by at least twenty-one clear days' notice and all other general meetings shall be called by at least fourteen clear days' notice.

6.4 *Class Rights*

The special rights attached to any class of shares may, subject to any applicable law, be modified or abrogated, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

The provisions of the Articles applicable to general meetings apply mutatis mutandis to class meetings but the necessary quorum is two persons holding or representing by proxy not less than one third of the issued shares of that class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

6.5 *Changes to Share Capital*

Unless the Company in a general meeting otherwise resolves by special resolution the Company shall not have any upper limit to its authorised share capital.

The Company may by ordinary resolution consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

Any new shares proposed to be issued by the Company shall be offered in the first instance in accordance with section 561 of the Act (save to the extent disapplied from time to time by special resolution) to all the shareholders for the time being, on the same or on more favourable terms than those offered or to be offered to persons other than shareholders, in proportion to the number of shares of the same class held by them.

6.6 ***Reduction of Share Capital***

The Company may by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to any authority required by law. Subject to applicable law, the Company may purchase its own shares.

6.7 ***Redeemable Shares***

The Company may create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes and the Directors may determine the terms, conditions and manner of redemption of any such shares.

6.8 ***Directors***

6.8.1 A director is not required to hold any qualification shares.

6.8.2 The amount of any fees payable to directors shall be determined by the directors provided that they shall not in any year exceed an aggregate amount of £400,000 or such other sum as may from time to time be approved by ordinary resolution. The directors are also entitled to be repaid all expenses properly incurred by them respectively in the performance of their duties. Any director holding an executive office or otherwise performing services which in the opinion of the directors are outside the scope of his ordinary duties as a director may be paid such remuneration as the directors may determine.

6.8.3 The directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or services of the Company or any other company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary of any such other company (“associated companies”) and the families and dependents of any such persons and the directors shall have power to purchase and maintain insurance against liability for any persons who are or were at any time directors or officers of the Company, its associated companies and for trustees of any pension fund in which employees of the Company or its associated companies are interested.

6.8.4 The directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, vice-chairman, managing director or any other salaried office on such terms and for such period as they may determine.

6.8.5 Subject to the provision of applicable law and provided that he has disclosed to the directors the nature and extent of his interest, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested (directly or indirectly);
- (b) may be a director or other officer of, or employed by, or party to, any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the directors may arrange; and
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate.

6.8.6 For the purposes of Section 175 of the Act, the Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company.

- (a) Any such authorisation will be effective only if:
 - (i) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
 - (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- (b) The Board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.
- (c) The Board may vary or terminate any such authorisation at any time.
- (d) For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

6.8.7 Subject to Section 177(5) and Section 177(6) of the Act, provided that he has disclosed to the Board the nature and extent of his interest, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (c) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.

6.8.8 A Director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate:

- (a) the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 100 (subject, in any such case, to any limits or conditions to which such approval was subject); or
- (b) which he is permitted to hold or enter into by virtue of paragraphs (a), (b) or (c) of Article 101 above;

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under Section 176 of the Act.

6.8.9 At every annual general meeting, director's bound to retire under section 177 of the Act and one third of all other directors then serving on the Board shall retire by rotation and stand for re-election.

6.9 *Transfer of Shares*

6.9.1 Subject to the restrictions referred to below, any member may transfer all or any of his certified shares by instrument in writing in any usual or common form, or in such other form as the directors may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid up share, by or on behalf of the transferee. The

directors may, in their absolute discretion and without assigning any reason, refuse to register a transfer of any share, not being a fully paid up share, or being in respect of a share on which the Company has a lien. They may also refuse to register any transfer of any share (whether fully paid or not) to be held jointly by more than four persons. The directors may also decline to register any instrument of transfer unless:

- (a) it is deposited duly stamped, at the registration office of the Company, or such other place as the directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
- (b) it is in respect of only one class of certified share.

The registration of transfers may be suspended by the directors for any period not exceeding 30 days in any year as the directors determine.

6.10 *Dividends*

6.10.1 Subject to the provisions of the Act, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interest, but no dividend shall exceed the amount recommended by the directors. Subject to the provisions of the Act, the directors may pay such interim dividends as appear to them to be justified by the profits of the Company available for distribution. No dividend shall be payable except out of the profits of the Company.

6.10.2 All dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any portion of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

6.11 *Borrowing Powers*

6.11.1 The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party. The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (but as regards subsidiary undertakings only insofar as, by the exercise of the rights or powers of control, the directors can secure) that the aggregate principal amount outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Company to another member) does not, without the previous sanction of an ordinary resolution, exceed the greater of £30,000,000 or an amount equal to four times the adjusted capital and reserves (as defined in the Articles).

6.12 *Rights of Shares*

6.12.1 The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

7 **Directors' and other interests**

7.1 The interests of the Directors (all of which are beneficial) and their connected persons in the issued share capital of the Company as at the date of this document and, as they are expected to be immediately after Admission, are as follows and include such interests which could with reasonable diligence be ascertained by that Director, whether or not held through a third party:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>Percentage of the issued Ordinary share capital at the date of this document</i>	<i>Number of Ordinary Shares immediately after Admission</i>	<i>Percentage of Enlarged Share Capital</i>	<i>Number of Options held at Admission</i>
Marcelo Bravo	62,500,000	15.58	62,500,000	13.47	–
Nigel Theobald	12,500,000	3.12	12,500,000	2.69	7,500,000
Michael Bretherton	1,333,325	0.33	1,619,041	0.35	–
James White	–	–	–	–	–

Save as disclosed in this paragraph and paragraph 8 below, the Company is not aware of any interest (within the meaning of Part 22 of the CA 2006) in the Ordinary Shares which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Enlarged Issued Share Capital.

- 7.2 Save as disclosed in paragraph 7.1 and paragraph 8, the Company is not aware of any person or persons who either alone or, if connected, jointly who currently or, following the completion of the Placing, will (directly or indirectly) exercise or could exercise control over the Company.
- 7.3 The Shareholders listed in paragraphs 7.1 and 8.1 do not have different voting rights to other holders of Ordinary Shares.
- 7.4 The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date result in a change of control of the Company.

8 Substantial Shareholders

- 8.1 The Company is aware that, in addition to the holdings referred to in paragraph 7.1 above, the following persons have at the date of this document an interest in, and/or will be following Admission interested in, three per cent or more of the issued ordinary share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>Percentage of the issued Ordinary share capital at the date of this document</i>	<i>Number of Ordinary Shares immediately after Admission</i>	<i>Percentage of Enlarged Share Capital</i>
ORA (Guernsey) Limited	133,333,325	33.24	161,904,725	34.89
David Norwood	81,800,000	20.39	87,514,300	18.86
Robert Quested	37,500,000	9.35	42,642,900	9.19
David Richardson	25,666,675	6.40	25,666,675	5.53
Richard Griffiths	–	–	14,285,700	3.08

9 Directors' service contracts and remuneration

- 9.1 The following service contracts, letters of appointment and consultancy agreement have been entered into, inter alia, between the Company, ONL and the Directors (as applicable):

Executive Director

- 9.1.1 Nigel Theobald was appointed as a director of the Company at a Board meeting on 12 October 2009. On 8 February 2010, Mr Theobald entered into a service agreement with the Company to act as a director and as the chief executive officer of the Company. Under the terms of the service agreement, Mr Theobald's appointment will commence on Admission and will continue until terminated by either party giving to the other not less than six months' notice in writing. The service agreement contains provisions for early termination, inter alia, in the event of a breach of the terms of such agreement by Mr Theobald. The agreement also contains

provisions for payment in lieu of notice, and enables the Company to place Mr Theobald on garden leave. The Agreement also contains a clause regarding confidentiality of information, ownership of intellectual property and post-termination restrictions prohibiting solicitation of specified staff for six months after termination of his employment and also prohibiting involvement in a competing business for a period of six months after the termination of his employment. Mr Theobald is entitled to receive a salary of £90,000 per annum. He is also eligible to participate in the Company's discretionary bonus scheme from time to time and in any private medical and permanent health insurance schemes introduced by the Company from time to time.

- 9.1.2 Michael Bretherton was appointed as a director of the Company at a Board meeting on 12 October 2009. Mr Bretherton entered into a letter of appointment dated 8 February 2010 sets out the terms of his appointment. Mr Bretherton's letter of appointment states that his appointment will be effective from Admission and will continue until terminated by either party giving to the other three months' written notice. The letter of appointment contains provisions for early termination, inter alia, in the event of a breach of the terms of the appointment by Mr Bretherton. The fee payable for his services as a Director is £10,000 per annum.
- 9.1.3 On 8 February 2010, the Company (1), ORA Capital Partners Limited ("OCP") (2) and Michael Anthony Bretherton (3) entered into a consultancy agreement pursuant to which Mr Bretherton was appointed as consultant Finance Director to the Company. The agreement is terminable on three months' written notice by either party to the other. The fee payable to OCP for the provision of Mr Bretherton's services is £6,000 plus VAT for providing services for one day per month. OCP receives a fee of £500 plus VAT per day for any further days worked by Mr Bretherton. In addition, OCP receives reimbursement for out of pocket expenses incurred by Mr Bretherton during the provision of the services. The consultancy agreement contains provision for early termination, inter alia, in the event of a breach by Mr Bretherton or OCP of the terms of the agreement. The agreement contains provision protecting the Company's confidential information and intellectual property rights. It also contains post-termination restrictions which mean that both OCP and Mr Bretherton are restricted from competing with the business or soliciting or enticing employees or consultants of the Company or the Group for a period of six months commencing on the date on which the consultancy agreement is terminated.

Non-executive Directors

- 9.1.4 Marcelo Bravo was appointed as a director of the Company at a Board meeting on 12 October 2009. Mr Bravo entered into a letter of appointment dated 8 February 2010 which reflects the fact that his appointment is of a non-executive nature Director and sets out the terms of his appointment. Mr Bravo's letter of appointment states that his appointment will be effective from Admission and will continue until terminated by either party giving to the other three months' written notice. The letter of appointment contains provisions for early termination, inter alia, in the event of a breach of the terms of the appointment by Mr Bravo. The fee payable for his services as a non-executive Director is £10,000 per annum. Mr Bravo will be a member of the Company's audit and remuneration committees and will chair the audit committee.
- 9.1.5 James White was appointed as a director of the Company at a Board meeting on 11 November 2009. Mr White entered into a letter of appointment dated 8 February 2010 which reflects the fact that his appointment is of a non-executive nature and sets out the terms of his appointment. Mr White's letter of appointment states that his appointment will be effective from Admission and will continue until terminated by either party giving to the other three months' written notice. The letter of appointment contains provisions for early termination, inter alia, in the event of a breach of the terms of the appointment by Mr White. The fee payable for his services as a non-executive Director is £10,000 per annum. Mr White will be a member of the Company's audit and remuneration committees and will chair the remuneration committee.

Other

- 9.1.6 On 12 November 2009, Andrew Hawken will enter into a service agreement with ONL to act as business development director of ONL. His appointment commenced on 1 January 2010 and will continue until terminated by either party giving to the other not less than three months' notice in writing. The service agreement contains provisions for early termination, inter alia, in the event of a breach of the terms of the agreement by Mr Hawken. The agreement also contains provisions for payment in lieu of notice, and enables ONL to place Mr Hawken on garden leave. The Agreement also contains a clause regarding confidentiality of information, ownership of intellectual property and post-termination restrictions prohibiting solicitation of specified staff for six months after termination of his employment and prohibiting involvement in a competing business for a period of six months after the termination of his employment. Mr Hawken is entitled to receive a salary of £50,000 per annum. He is also eligible to participate in ONL's discretionary bonus scheme from time to time, and will receive an annual car allowance.
- 9.2 Save as disclosed in sub-paragraph 9.1 above, there are no service contracts, letters of appointment or consultancy agreements, existing or proposed, between any Director and the Company and no service contracts, letters of engagement or consultancy agreements have been entered into or amended by the Company or any of its subsidiaries in the six months prior to the date of this document.
- 9.3 Details of the length of time in which the Directors have been in office are set out below:

<i>Name</i>	<i>Commencement of Period of office</i>
Marcelo Bravo	12 October 2009
Nigel Theobald	12 October 2009
Michael Bretherton	12 October 2009
James White	11 November 2009

10 Additional Information on the Board

- 10.1 In addition to directorships of the Company the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Michael Bretherton	Nanoco Group Plc Nanoco Tech Limited Obtala Resources Plc ORA Capital Ltd ORA Capital Partners Limited Oxeco Plc Oxford Advanced Surfaces Group Plc Oxford Nutrascience Limited Oxford Nutra Limited Oxray Limited ORA (Guernsey) Ltd	Novum Securities Ltd Novum Private Clients Ltd Novum Nominees Ltd
Marcelo Bravo	Oxford Nutrascience Limited	Super foods Ltd (dissolved) Oxford Advanced Surfaces Group Plc Oxford Advanced Surfaces Ltd Oxford Biomedical Materials Ltd Oxford Energy Technologies Ltd

<i>Director</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Nigel Theobald	Oxford Nutrascience Limited Oxford Nutra Limited	Bar Bizarre Limited (dissolved) Emerge Marketing Ltd(dissolved) Super foods Ltd(dissolved) Synpart Health & Beauty Limited
James White		Osmetech plc Osmetech Inc Osmetech Technology Inc Clinical Micro Sensors Inc Osmetech GmbH Molecular Sensing Limited Molecular Sensors Limited Osmetech AESOP Trustee Limited

10.2 Save as disclosed in paragraph 10.3 and 10.4 below, none of the Directors has:

10.2.1 any unspent convictions in relation to indictable offences;

10.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

10.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

10.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

10.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

10.3 Marcelo Bravo was a director of Super Foods Limited ("SFL") at the time it was placed into members' and creditors' liquidation on 20 March 2008. HSBC Bank plc had a floating charge over SFL and was owed a total of £83,333.30 at the time of the liquidation. Total assets of £11,054.00 were made available as a result of the liquidation and were paid to HSBC Investment Bank plc, leaving £72,279.30 unpaid. SFL had unsecured creditors to whom a total of £124,348.56 was owed and unpaid on completion of the liquidation, which added to an amount of £171,911.00 owed to members as a result of issued and called up share capital, gave a total deficiency of £368,538.86. Nigel Theobald had also been a director of Super Foods Limited but resigned as a director on 2 November 2006.

10.4 Michael Bretherton was a non-executive director of Brimley & Co Limited ('Brimley'). A wholly owned subsidiary of Bridgend Group plc, until the reverse takeover of that company by Hemscott Holdings Limited ('Hemscott') on 15 August 2000, at which time he resigned from the board of the enlarged Hemscott company and all its subsidiaries, including Brimley. Subsequent to that acquisition and Mr Bretherton's resignation, the business and certain assets of Brimley were sold, its name

changed to XLIV Limited and it was then placed into creditors voluntary liquidation on 30 October 2000 with an estimated deficiency as regards external creditors of £168,000.

11 Employees

The Enlarged Group will, on Admission, have 3 employees (including Executive Directors but excluding Non-Executive Directors). The following table shows how many employees will be working for each Group Company as at Admission:

<i>Group Company</i>	<i>Jurisdiction</i>	<i>Number of Employees</i>
ONG	UK	1
ONL	UK	3
Oxford Nutra Limited	UK	0

12 Share Option Schemes

12.1 The rules of both the EMI Scheme and the Unapproved Scheme are incorporated within one scheme document known as the Rules of the Oxford Nutrascience Group Plc Share Option Plan 2009. Set out below is a summary of the main elements of the EMI Scheme. Any specific differences between the EMI Scheme and the Unapproved Scheme are set out in paragraph 12.25 below.

Introduction

12.2 The EMI Scheme is only open to those persons who are classed as “eligible employees” under the relevant Enterprise Management Incentive legislation and includes any bona fide employee of the Company who satisfies the requirement as to commitment of working time by spending 25 hours per week (or, if less, 75 per cent. of his working time) on the business of the Group and satisfies the ‘no material interest’ requirement which means the person either alone or together with a related party does not have a material interest in any Group Company which broadly means more than 30 per cent. of the share capital of that company.

Grant of Options

12.3 The Board has absolute discretion as to the selection of persons to whom an option is granted. The Company may grant options at any time but may only grant an EMI option to a qualifying employee and shall not grant an EMI option to any other person.

12.4 The grant of an EMI option shall be effected by the Company entering into an EMI option agreement containing information which specifies *inter alia* the date of the grant, the number of shares in respect of which the option is granted, the exercise price, the basis on which the options vest, confirmation the grantee agrees to indemnify the Company in respect of any option tax liabilities it may suffer and whether or not the option will lapse on the occurrence of a sale.

Relationship of the plan to employment or engagement

12.5 The grant of an option does not form part of the grantee’s entitlement to remuneration or benefits pursuant to the grantee’s contract of employment or contract for services (if any). The grant of an option shall not afford the grantee any rights or additional rights to compensation or damages.

12.6 Neither the grant nor any benefit which may accrue shall form part of that grantee’s pensionable remuneration for the purposes of any pension scheme.

Non-Transferability of Option

12.7 An option may only be exercised by the individual grantee (or by his personal representatives in the case of death). Any attempts to transfer or assign an option shall result in the immediate lapse of the option.

Exercise of Options

- 12.8 An option may not be exercised later than midnight on the day preceding the tenth anniversary of the date of grant or such earlier time as permitted by the EMI Scheme.
- 12.9 In relation to each option the Board shall determine at the date of grant the basis upon which the option shall vest and may be conditional on things such as the Company's performance.
- 12.10 An EMI option agreement may provide that if an option vests in respect of some or all of the shares and the shares are not exercised within a specified period then the option shall lapse and cease to be exercisable. If in consequence of a performance related event an option becomes vested in some but not all of the shares over which it subsists, but the option does not and cannot vest for the remaining shares, then the option shall lapse with regards the balance of shares but will not lapse in respect of such shares to which the performance related condition does not relate.
- 12.11 If a performance related condition must be satisfied by a particular date, the option shall lapse after midnight on that date if not satisfied. The Board shall determine whether a performance condition has been satisfied.
- 12.12 If a grantee ceases to be an employee (other than by reason of his death) then any subsisting option held by him shall cease to be exercisable on the date of such cessation, save that if, within 40 days of the date of cessation the Board determines that such option may be exercised, then the grantee may, exercise it within such 40 day period. If a grantee ceases to be an employee by reason of his death, then any subsisting option held by him may be exercised by his personal representatives to the extent the option has vested within 12 months of the date of the optionholders death. Exercise after the sale of the Company can take place during the period of one month beginning with the date of unconditional completion.
- 12.13 If the Board considers a sale is imminent, they may direct that a grantee may exercise a subsisting option, to the extent that such option shall be treated as vested. Such entitlement may be made conditional upon the sale taking place.
- 12.14 If the Company is listed, an option may be exercised to the extent vested and the grantee agrees that the shares shall be subject to such restrictions as the Board may determine. Following a listing, the grantee shall not exercise the option in breach of the rules of the relevant recognised investment exchange.

Manner of Exercise of Options

- 12.15 Any subsisting option which is exercisable may be exercised in whole or in part. The minimum number of Shares over which such option shall be exercised must be 250 or 25 per cent. of the shares over which the option has vested. An option shall be exercised only by the grantee serving a written notice upon the Company specifying the number of shares over which the option is granted and is accompanied by the necessary payment, option certificate, signed grantee documentation and payment of the option tax liability. Within 30 days of the applicable conditions being satisfied the Company shall allot the grantee the shares specified in the notice. As soon as reasonably practicable the Company shall issue a definitive share certificate.
- 12.16 The allotment of any shares is subject to the Company's MemORAndum and Articles of Association. If the shares are listed at the time of exercise the Company shall apply to the exchange or market for such shares to be admitted.

Overall Limit on the granting of Options

- 12.17 A qualifying EMI option may not be granted to a qualifying employee if it would cause the aggregate market value of the shares subject to all qualifying EMI options and any option granted under a scheme approved under Schedule 4 to ITEPA 2003 to exceed £120,000.

12.18 A qualifying EMI option may not be granted if as a result of such grant the aggregate market value of the Shares subject to all qualifying EMI options would exceed £3,000,000 or the gross assets of the Enlarged Group exceed £30 million.

12.19 The total number of shares in respect of which options may be granted shall not exceed 10 per cent. of the then issued share capital of the Company from time to time. Where a qualifying employee has been cumulatively granted EMI options with an aggregate market value equal to or greater than £120,000, any further option granted within three years is to be treated as an unapproved option.

Tax Indemnity

12.20 Any 'option tax liability' (which is any tax liability of a grantor company arising from the grant or exercise of the options or whether such options qualify for the Enterprise Management Incentive legislation or not) is the responsibility of the grantee and the grantee agrees to indemnify the Company in respect of such liability (howsoever arising).

Variation of share capital

12.21 In the event of any alteration of the ordinary share capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company or any purchase by the Company of its own share, if the Board so chooses, it may determine the number or amount of shares that are the subject of an option and the exercise price of those shares provided the nominal value of the shares is not reduced below the nominal value of the share. The Board may reduce the exercise price of any share subject to an option, to the extent the Board is authorised to capitalise from the Company's reserves a sum equal to the amount by which the aggregate nominal value of the shares exceeds the aggregate adjusted exercise price under such options.

Alteration of the Share Option Scheme

12.22 The Board may alter the rules of the EMI Scheme provided no alteration to the rules will effect any option granted prior to the date of such alteration except with the consent of the grantee, such consent to be given in writing and by deed.

Administration

12.23 The plan shall be administered by the Board acting on behalf of the Company. The Board may make and vary such regulations as they think fit. In the event of any dispute or disagreement the decision of the Board is final and binding.

Miscellaneous

12.24 The company shall keep available sufficient authorised but unissued ordinary Shares to enable it to satisfy the exercise in full of all options to subscribe for shares. The plan shall terminate on the tenth anniversary of its date of adoption and may be terminated at any time before that by the Board but in either case the then existing rights and liabilities of the grantees shall not be effected. The existence of any option shall not affect the right or power of the Company or its shareholders. to carry on business in any particular way.

The Unapproved Scheme

12.25 The Unapproved Scheme rules contain the same basic criteria are used as far as the EMI Scheme save for the following:

12.25.1 The Unapproved Scheme is open to those persons who are classed as "employees" of the Group. The grant of an Unapproved option is affected by the Company executing as a deed and issuing the grantee an Unapproved Option Certificate containing an undertaking by the grantee to be executed as a deed of acceptance that the grantee agrees to be bound by the Share Option Plan rules.

- 12.25.2 The Company may only grant an Unapproved option to an employee and shall not grant an Unapproved option to any other person. An Unapproved option certificate may provide that if an option vests in respect of some or all of the shares and the shares are not exercised within a specified period then the option shall lapse and cease to be exercisable. There is no upper limit to the value of options which may be granted under the Unapproved Scheme, other than as set out by the shareholders in general meeting, and subject always to there not being more than 10 per cent. of the issued share capital (from time to time) under option.

The above summary of the principal terms of the Share Option Schemes does not form part of the rules of the Share Option Schemes and should not be taken as affecting the interpretation of the detailed terms and conditions. The Board reserves the right to make amendments and any additions to the rules of the Share Option Schemes that they consider necessary or appropriate, provided that any amendment may not conflict in any material respect with the above summary.

13 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Group since its incorporation and are, or may be, material:

Oxford Nutrascience Group plc

Share Exchange Agreement

- 13.1 A share exchange agreement dated 8 February 2010 between the Vendors (1) the Company (2) and ONL (3) pursuant to which the Company acquired the entire issued share capital of Oxford Nutrascience for a total consideration of £6,418,634.40 satisfied by the issue by the Company of 401,164,650 Ordinary Shares to the Sellers credited as fully paid at 1.6p per share, such that the issued share capital of the Company immediately after completion of the ONL Acquisition replicated the issued share capital of Oxford Nutrascience, in percentage holdings terms. Under the Share Exchange Agreement the Vendors gave limited warranties as to title of the shares then held in Oxford Nutrascience.

Placing Agreement

- 13.2 On 8 February 2010, the Company entered into a Placing Agreement with the Directors, ZAI and ZAICF. Under the agreement, ZAI undertook as agent for the Company to use its reasonable endeavours to procure persons to subscribe for the Placing Shares at the Placing Price and ZAICF undertook to assist the Company in relation to Admission. The Placing Agreement contains customary warranties from the Company and the Directors in favour of ZAI and ZAICF, and customary indemnities from the Company in favour of ZAI and ZAICF. The liability of the Directors is subject to certain limitations. Under the Placing Agreement the Company agreed to pay to ZAI a corporate finance fee. The Placing Agreement is conditional on, *inter alia*, Admission becoming effective on or before 12 February 2010 or such later time as the Company, ZAI and ZAICF may agree being, in any event, not later than 26 February 2010. The agreement may be terminated if certain conditions, including Admission, are not satisfied.

Nominated Adviser Agreement

- 13.3 A nominated adviser agreement dated 8 February 2010 made between the Company (1) and ZAI (2) pursuant to which the Company appointed ZAI to act as nominated adviser for the purposes of the AIM Rules. The Company has agreed to pay ZAI an annual fee of £19,999 plus VAT for its services as nominated adviser. The Agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable laws and regulations. The Agreement is for a fixed term of 12 months and subject to termination on three months' notice by either party thereafter.

Broker Agreement

13.4 A broker agreement dated 8 February 2010 made between the Company (1), the Directors (2) and ZAICF (3) pursuant to which the Company has appointed ZAICF to act as broker to the Company for the purposes of the AIM Rules. The Company agreed to pay ZAICF an annual fee of £1 plus VAT for its services as broker. The Broker Agreement contains certain undertakings and indemnities given by (1) the Company and (2) the Directors in respect of, *inter alia*, compliance with applicable laws and regulations. The Broker Agreement is subject to termination on three months' notice by either party.

Lock-in Agreements

13.5 The Directors, David Norwood and ORA have agreed, with the Company and ZAICF (under the terms of the Placing Agreement in the case of the Directors) that they will not (save in certain specific circumstances) dispose of, agree to dispose of or charge any Ordinary Shares or interests in Ordinary Shares for a period of one year following Admission, and then for a further period of one year thereafter to only dispose of Ordinary Shares through the Company's broker from time to time in such manner as the broker may reasonably require in order to maintain an orderly market in the Ordinary Shares of the Company.

Relationship Agreement

13.6 A relationship agreement dated 8 February made between the Company (1) and ORA (2) conditional upon Admission pursuant to which ORA has agreed:

13.6.1 to exercise its rights as a shareholder to ensure that all transactions, relationships and agreements between the Company and ORA or any associate of ORA (as defined in Appendix I to the Listing Rules of the FSA) are on arm's length terms;

13.6.2 that neither it nor its associates will acquire, agree to acquire or announce any intention to acquire shares in the Company nor make a general offer for all or part of the share capital of the Company;

13.6.3 to give the Company 2 days notice of any intention of ORA, or an associate, to dispose of any interest in the share capital of the Company which would reduce ORA and its associates aggregate shareholding to less than 25 per cent.;

13.6.4 to procure (as far as it is able) that Non-Independent Directors (as defined in the agreement and being, at Admission, Michael Bretherton) do not vote at a Board meeting on any resolution relating to any proposed contract or arrangement with ORA and/or its associates; and

13.6.5 in such manner so as to procure (so far as it is able) that it will not vote at meetings of Shareholders on any resolution relating to any proposed contract or arrangement with ORA and/or its associates.

The agreement is effective for so long as ORA, together with its associates, hold (whether directly or indirectly) in aggregate, shares in the capital of the Company representing 25 per cent. of more of the Company's entire issued ordinary share capital.

Oxford Nutrascience Limited

13.7 A share exchange agreement dated 27 January 2010 between the Vendors (1) the Company (2) and ONL (3) pursuant to which the Company acquired the entire issued share capital of Oxford Nutrascience for a total consideration of £6,418,634.40 satisfied by the issue by the Company of 401,164,650 Ordinary Shares to the Sellers credited as fully paid at 1.6p per share, such that the issued share capital of the Company immediately after completion of the ONL Acquisition replicated the issued share capital of Oxford Nutrascience, in percentage holdings terms. Under the Share Exchange Agreement the Vendors gave limited warranties as to title of the shares then held in Oxford Nutrascience.

13.8 *Assignment Agreement dated 29 January 2010 between ONL and Co-Formulate Limited*

This agreement provides for the assignment by Co-Formulate to ONL of all and any right, title and interest that Co-Formulate had in respect of the technology which is the subject of the second patent family (patent application GB0907019.4), together with all rights in any inventions and materials generated by Co-Formulate pursuant to the consultancy service agreement entered into by the parties or otherwise.

In consideration for the assignment of Co-Formulate's rights, ONL paid £20,000 to Co-Formulate pursuant to this agreement.

This agreement contains the usual warranty and further assurance provisions that you would expect to see in an assignment of this nature.

ONL is required, pursuant to this agreement, to execute and file all necessary documents at the Intellectual Property Office to name Huw Jones and Nazim Kanji as co-inventors, together with Marcelo Bravo, of the patent to which patent application GB0907019.4 relates.

13.9 *Deed of Assignment dated 29 January 2010 between ONL and Huw Jones*

This agreement provides for the assignment by Huw Jones to ONL of all and any right, title and interest that Huw Jones had in respect of the technology which is the subject of the second patent family (patent application GB0907019.4), together with all rights in any inventions and materials generated by Huw Jones in the provision of services for or on behalf of Co-Formulate in relation to the consultancy service agreement entered into by ONL and Co-Formulate.

This agreement contains the usual warranty and further assurance provisions that you would expect to see in an assignment of this nature.

ONL is required, pursuant to this agreement, to execute and file all necessary documents at the Intellectual Property Office to name Huw Jones and Nazim Kanji as co-inventors, together with Marcelo Bravo, of the patent to which patent application GB0907019.4 relates.

13.10 *Deed of Assignment dated 29 January 2010 between ONL and Nazim Kanji*

This agreement provides for the assignment by Nazim Kanji to ONL of all and any right, title and interest that Nazim Kanji had in respect of the technology which is the subject of the second patent family (patent application GB0907019.4), together with all rights in any inventions and materials generated by Nazim Kanji in the provision of services for or on behalf of Co-Formulate in relation to the consultancy service agreement entered into by ONL and Co-Formulate.

This agreement contains the usual warranty and further assurance provisions that you would expect to see in an assignment of this nature.

ONL is required, pursuant to this agreement, to execute and file all necessary documents at the Intellectual Property Office to name Huw Jones and Nazim Kanji as co-inventors, together with Marcelo Bravo, of the patent to which patent application GB0907019.4 relates.

13.11 *Deed of Assignment dated 29 January 2010 between ONL and Pharmasci Limited*

This agreement provides for the assignment by Pharmasci Limited to ONL of all and any right, title and interest that Pharmasci Limited had in respect of the technology which is the subject of the second patent family (patent application GB0907019.4), together with all rights in any inventions and materials generated by Pharmasci Limited in the provision of services for or on behalf of Co-Formulate in relation to the consultancy service agreement entered into by ONL and Co-Formulate.

This agreement contains the usual warranty and further assurance provisions that you would expect to see in an assignment of this nature.

ONL is required, pursuant to this agreement, to execute and file all necessary documents at the Intellectual Property Office to name Huw Jones and Nazim Kanji as co-inventors, together with Marcelo Bravo, of the patent to which patent application GB0907019.4 relates.

13.12 *Assignment of Ellactiva Trademark 3541323*

On 10th March 2008 the Company entered into an assignment pursuant to which the Ellactiva trademark, registered at the European Trademark Office with application number 3541323 and registered April 2005 in respect of classes 05, 29, 30 and 32, was assigned to the Company together with all rights, title and interest to such trademark in consideration for the sum of £1. In accordance with the assignment, the Company has full and exclusive benefit of the trademark.

14 Dependence on Intellectual Property

14.1 Save as set out in Parts I and VI of this document, there are no patents, patent applications or other Intellectual Property Rights, licences, industrial, financial, commercial or financial contracts which are of material importance to the Group's business or profitability.

15 Related Party Transactions

15.1 Save for the relevant transactions described in the agreements referred to in paragraph 13 of this Part VI, during the period from incorporation of the Company until the date of this document, the Company has not entered into any related party transactions.

16 Litigation

16.1 The Company is not involved nor has it been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or had had in the recent past a significant effect on the Company's financial position or profitability and so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Company.

17 No Significant Change

17.1 Save as disclosed in this document, there has been no significant or material change in the financial or trading position of the Company since the date of incorporation of the Company.

17.2 Save as disclosed in this document, there has been no significant or material change in the financial or trading position of the ONL since the date of the unaudited interim historical financial information, being 31 August 2009.

18 Taxation

18.1 The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue & Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

Taxation of Chargeable Gains

18.2 For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.

18.3 To the extent that a Shareholder acquires Ordinary shares allotted to him, the Ordinary Shares so allotted will, for the purposes of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

- 18.4 If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.
- 18.5 A disposal of Shares by an individual who is within the charge to UK capital gains tax will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to tax at the rate of 18 per cent. with no taper relief or indexation allowance being available.
- Individuals who are temporarily non-UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.
- 18.6 Any gains arising on the disposal of Ordinary Shares by a company should be reduced by indexation allowance applied to the base cost of the Ordinary Shares. Any such gains will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to corporation tax.

Loss Relief

- 18.7 If an investor is an individual or an investment company, relief for losses incurred by that investor on disposal of the Ordinary Shares may be available under Sections 131 to 133 Income Tax Act 2007 for individuals and Sections 573 to 576 of the Income and Corporation Taxes Act 1988 for investment companies.

Inheritance Tax / Business Property Relief

- 18.8 Unquoted ordinary shares representing minority interests in trading companies potentially qualify for business property relief which gives up to 100 per cent. exemption from Inheritance Tax for investors who are individuals. Where such individual investors make a lifetime gift of qualifying shares or dies whilst still owner of the shares, no inheritance tax will be payable in respect of the value of the shares, provided certain conditions are met, including that the investor held the shares for two years before the date of transfer or death.

Stamp duty and Stamp Duty Reserve Tax

- 18.9 No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

Dividends and other distributions

- 18.10 Under current UK tax legislation, no amounts in respect of tax will be withheld at source from dividend payments made by the Company. A dividend paid to a non-corporate Shareholder is treated as being paid with a tax credit equal to one ninth of the net dividend. Thus there will be a tax credit of 10 per cent. on the gross dividend, that gross dividend being equal to the sum of the net dividend and the accompanying tax credit. Individual Shareholders whose income is within the starting or basic rate bands will be liable to tax at 10 per cent. on their gross dividend income and the tax credit will therefore satisfy their income tax liability on UK dividends. Individual Shareholders who are liable to income tax at the higher rate of tax will be charged to tax at 32.5 per cent. on their gross dividend, as will trustees of discretionary trusts. After taking account of the 10 per cent. tax credit, this will represent additional tax of 25 per cent. of the net dividend received.
- 18.11 Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.
- 18.12 The UK government has announced that legislation will be introduced, with effect from April 2010, to make dividends received by UK resident shareholders with taxable income in excess of £150,000 subject to income tax at 42.5 per cent. The tax credit referred to above will, if available, have the effect that such shareholders will have to account for additional UK tax equal to 36.11 per cent. of the net cash dividend received.

18.13 A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

18.14 If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

19 General

19.1 Since the date of incorporation of the Company, it has not yet commenced operations, incurred neither profit nor loss and (save for its acquisition of and current 100 per cent. interest in the shareholding of ONL) has no material assets or liabilities and no financial statements have been made up. Accordingly there is no historical financial information relating to the Company contained in this document.

19.2 The financial information for the relevant accounting period as set out in Section B of Part IV of this document concerning ONL does not constitute statutory accounts of ONL.

19.3 Save as disclosed in this document, no person (other than professional advisers named in this document) has:

- (a) received, directly or indirectly, from the Company within the 12 months preceding the application for Admission: or
- (b) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - (i) fees totalling £10,000 or more;
 - (ii) securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - (iii) any other benefit with the value of £10,000 or more at the date of Admission.

19.4 The estimated amount of the expenses of the Placing and Admission which are all payable by the Company are £210,000 (excluding VAT). The net proceeds of the Placing are estimated at £890,000 for the Company. The Placing Price represents a premium of 1.65p to the nominal value of each Ordinary Share.

19.5 ZAICF has been appointed as nominated adviser to the Company. ZAICF is registered in England and Wales with number 06814163 and its registered office is at 12 Camomile Street, London, EC3A 7PT and it is authorised and regulated by the Financial Services Authority in the conduct of investment business.

19.6 ZAI has been appointed as broker to the Company. ZAI is registered in England and Wales with number 0513601 and its registered office is at 12 Camomile Street, London, EC3A 7PT and is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange.

19.7 ZAICF and ZAI have each given and have not withdrawn their consent to the issue of this document with the inclusion of their names in the form and context in which they appear.

19.8 Baker Tilly Corporate Finance LLP has given and not withdrawn its written consent to the inclusion of its report in Section A of Part IV of this document and references thereto in the form and context in which they are included.

19.9 Save as set out in this document, the Directors are not aware of any exceptional factors which have influenced the activities of the Company.

19.10 Save as disclosed in this document, the Company has not made any investments since incorporation up to the date of this document nor are there any investments by the Company in progress or anticipated which are significant.

19.11 Save as disclosed in this document, the Directors are not aware of any environmental issues or risks affecting the Company or its operations.

20 Availability of this Document

20.1 Copies of this document will be available free of charge from the Company's registered office and at the offices of ZAICF, 12 Camomile Street London EC3A 7PT during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Date: 8 February 2010