EDEN

THE NATURAL SOLUTION

24 May 2016

EDEN RESEARCH PLC
(“Eden” or the “Company”)

Final results

Eden Research plc (AIM: EDEN), the AIM-listed company that provides breakthrough natural microencapsulation technologies to the global agrochemicals, animal health and consumer products industries, announces its preliminary results for the year ended 31 December 2015.

Financial highlights

- Revenue of £0.9m (2014: £0.1m)
- Operating loss of £1.1m (2014: £1.7m)
- Operating loss (excl. share based payment charge and amortisation) of £0.2m (2014: £0.9m)
- Loss before tax of £1.2m (2014: £3.0m)
- Loss per share of 0.68p (2014: 2.36p)
- Debt free, and cash in bank of £0.15m (2014: £0.41m)

Operational highlights

- First EU approval of 3AEY in Malta, followed by further approvals in Greece and Bulgaria and first commercial product launches
- Approval and first commercial scale order of 3AEY in Kenya
- Agreement with Taminco to exclusively test nematicide product for one year
- Maximum Residue Limit exemption for Eden’s active substances
- Acquired a 29.9% stake in TerpeneTech Limited
- New evaluation agreement with Sipcam Italia and Sipcam Iberia to evaluate 2EY
- Collaboration and licence agreement with Intellectual Ventures

Post Period end

- Successful placing of £2.6m in March 2016
- First commercial scale order of 3AEY from, and subsequent delivery to, Redestos Group
- Further approvals for 3AEY for Spain and Italy – Portugal and France to follow
- Application made in early 2016 for regulatory clearance in Switzerland

Board changes

- Robin Cridland appointed to the Board as Non-Executive Director

Commenting on outlook, Tom Lupton, Chairman said: *“2015 saw a number of breakthrough moments for the Company focused around the financial, commercial and regulatory aspects of the business. Eden is well placed to exploit its patents, know-how, technologies and products and drive commercialisation on apace. It is satisfying to know that in 2016 Eden products are being used around the world, though we are really only at the start of this journey with further exciting product and market opportunities to come.”*

With effect from 23 May 2016, the Company has changed its Registered Office to Suite 3, 15 Gosditch Street, Cirencester, Gloucestershire, GL7 2AG.

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Notes:

Eden is an early stage revenue company with intellectual property and expertise in encapsulation, terpenes and environmentally friendly technologies to provide naturally occurring solutions to the global agrochemicals industry, the animal health industry, and consumer products.

Eden's encapsulation technology harnesses the biocidal efficacy of naturally occurring chemicals produced by plants (terpenes) and can also be used with both natural and synthetic hydrophobic compounds. The technology uses yeast cells that are a by-product of numerous commercial production processes to deliver a slow release of natural compounds for agricultural and non-agricultural uses. Terpenes are already widely used in the food flavouring, cosmetic and pharmaceutical industries.

Historically, terpenes have had limited commercial use in the agrochemical sector due to their volatility, phytotoxicity and poor solubility. Eden's platform encapsulation technology provides a unique, environmentally friendly solution to these problems and enables terpenes to be used as effective, low-risk agrochemicals.

With leading consultants in their respective fields, the Company is developing these technologies through innovative research and a series of commercial production, marketing and distribution partnerships.

The Company has a number of patents and a pipeline of products at differing stages of development targeting specific areas of the global agrochemicals industry. To date, the Company has invested in the region of £12m in developing and protecting its intellectual property and seeking regulatory approval for products that rely upon the Company's technologies. Revenues earned by the Company have been modest whilst the Company has concentrated on securing patent protection for its intellectual property, gaining regulatory approvals, identifying suitable industrial partners, and entering into licence agreements.

In May 2013, the three actives that comprise Eden's first commercial product, 3AEY, were approved as new ingredients for use in plant protection products. This represents a major milestone in the commercialisation of Eden's technology and is a significant accomplishment for any company. To illustrate this point, one should note that in all of 2013, Eden's approvals represented 3 of only 10 new active ingredients approved by the EC.

3AEY has been authorised for sale in Kenya, Malta, Greece, Bulgaria, Spain and Italy.

Eden was admitted to trading on AIM on 11 May 2012 and trades under the symbol EDEN.

For more information about Eden, please visit: www.edenresearch.com

CHAIRMAN'S REPORT

Introduction

I am pleased to report that the Company has made significant progress in 2015 in financial, commercial and regulatory terms. Our Chief Executive Officer, Sean Smith, will provide more detail in his Report, but first, I will give an overview of this progress.

Commercial Development

The first EU approval for Eden's product, 3AEY (a fungicidal agrochemical product), came in May 2015 in Malta and was subsequently followed by approvals in Kenya, Greece, Bulgaria (2015), and Spain and Italy (2016).

This is the culmination of a number of years' work and investment and allows our commercial partners (Sipcam Italia, Sipcam Iberia, Lachlan and Redestos) to sell 3AEY in their licensed territories from the 2016 growing season onwards. Approvals are also expected to come from France and Portugal in 2016.

An exclusive option agreement signed in April 2015 provided Taminco (now a subsidiary of Eastman Chemical Company) with the right to test Eden's nematicide product for one year. The results from the trials have been encouraging, and the Company is now in advanced negotiations to agree commercial terms.

Revenue increased substantially in 2015 to £0.9m from £0.1m in the previous year resulting in a reduced operating loss (excluding Share Based Payment Charge of £0.25m and Amortisation of £0.66m) of £0.2m in 2015, from £0.9m in 2014. Operating loss reduced to £1.1m in 2015, from £1.7m in 2014. This is a reflection of the progress that has been made and highlights 2015 as being the year Eden moved from its development phase to a truly commercial entity.

Corporate Governance

In May 2015, we welcomed to the Board a new Non-Executive Director, Robin Cridland. Robin currently serves as Chief Financial Officer and Company Secretary of Revolymer plc and has been centrally involved in the listing of businesses and in a number of significant licences and other product commercialisation deals. I believe that his wealth of relevant work experience will prove to be valuable to Eden, not least in his roles on the Audit and Remuneration Committees.

Outlook

Now that the Company has received funding to accelerate its growth and development, as well as key EU approvals for 3AEY, Eden is well placed to exploit its patents, know-how, technologies and products and drive commercialisation on apace. It is satisfying to know that in 2016 Eden products are being used around the world, though we are really only at the start of this journey with further exciting product and market opportunities to come.

T G Lupton
Chairman

23 May 2016

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to provide shareholders with my first Chief Executive's Report since joining the Company in September 2014. During 2015 Eden made excellent headway in a number of key areas and these are summarised below.

Financial results

In terms of financial performance, we have delivered results that show good progression: increased revenues; our first revenues from commercial sales; and overall significantly reduced losses.

Revenue for the year ended 31 December 2015 totalled £0.9m up from £0.1m in the previous year. The majority of this revenue (£0.74m) came from fees associated with licensing our technology. In addition, we received a number of milestone payments (£0.06m) and evaluation fees (£0.05m) during the year. Whilst these revenues are largely made up of one-off payments it is encouraging to see our first, if modest, revenues received from commercial sales, both from direct product sales and royalty revenues, which generated £0.04m in revenue.

Operating loss reduced to £1.1m in 2015, from £1.7m in 2014. Operating loss excluding Share Based Payment Charge of £0.25m and Amortisation of £0.66m reduced to £0.2m in 2015, from £0.9m in 2014. Loss for the year reduced significantly to £1.06m (2014: £2.97m). Loss per share (both basic and diluted) reduced to 0.68p from 2.36p.

Whilst cash at the year-end was £0.15m (2014: £0.41m), the Company subsequently raised £2.6m through a placing with new and existing institutional shareholders. The business is now well funded although my colleagues and I still remain highly focussed on managing costs.

Regulatory milestones

The year 2015 saw a number of breakthrough moments for the Company with the receipt of product approvals that are essential for the commercial launch of our plant protection product 3AEY for the prevention and treatment of botrytis (commonly known as bunch rot in viticulture) in table and wine grapes. In May 2015, we received authorisation from the Regulatory Affairs Directorate in Malta which was acting as the zonal rapporteur Member State for the Southern EU zone. I am pleased to say that we have also subsequently received approvals from Greece, Bulgaria, Spain and Italy.

We are working closely with our partners in the remaining jurisdictions to gain the necessary authorisations as soon as possible. We expect to receive approval from Portugal next, and the approval process in France is ongoing with current indications that this will come through later this year. France is well-known for its considered approach to new product approvals, and the climactic peculiarities of France mean that efficacy trials are often required for both the Southern and Maritime zones (rather than the Southern zone alone, as is the case with the other countries within the Southern zone). This has been the case in the French regulator's consideration of our application, and Eden's French partner, Sumi Agro France, has now submitted the results for consideration by the French authorities.

Following on from the first EU approvals, the regulatory authorities in Kenya granted approval for commercial sales of 3AEY which in turn triggered our first commercial-scale order from Lachlan Kenya Limited, our sales partner in Kenya. Lachlan will initially target the treatment of vegetables before expanding into the cut flower market, both of which are major markets for export into the European Union. In Kenya, 3AEY will be sold as "Hawk" and has been granted clearance for label claims covering both botrytis and powdery mildew, thereby presenting a larger overall market.

It is worth noting that in June 2015, we also gained Maximum Residue Limit ("MRL") exemption for our active substances. This is a major differentiator for Eden's products which can be used without concern for residues and which allow growers to protect their crops with Eden products right up to the point of harvest. Indeed, it is residue levels that are of major concern for food retailers across Europe, and with this exemption from MRLs, we expect strong retailer “pull”. We intend to encourage this activity through direct engagement with retailers.

Application was made in early 2016 for regulatory clearance in Switzerland through our newly-appointed Swiss distributor, Stähler Suisse, and we expect to achieve this in 2018. Eden will supply Stähler directly with products produced by one of our approved toll manufacturing partners. Though a smaller market than some, Eden’s go-to-market strategy in Switzerland will drive maximum returns to Eden by simplifying the supply chain.

Looking forward, we are also planning to expand the registration of 3AEY in a number of the Baltic states and as soon as the data requirements are satisfied, we also expect to make registration applications for 3AEY to be used as an indoor product in the EU thereby opening up the very large high-value greenhouse crops markets along with ornamentals. We are also in the early stages of preparing an application for product registration in the US, and we are engaged in active dialogue with the US EPA alongside US regulatory specialists. Finally, we are also in the process of seeking regulatory approval for a nematicide product that utilises our active ingredients across a number of territories, and we expect to be able to update on progress throughout 2016.

Commercial progress

I. Plant protection

Although our technology has multiple end-market applications, one of the key early markets for us has been in the area of plant protection. Our lead agricultural product 3AEY, for the prevention and treatment of botrytis, has now been launched commercially in Greece, Spain, Italy and Kenya, with product shipped to our partners in these regions or produced locally by authorised licensees. We expect to see a growing contribution from product sales and royalties as our products gain traction in these countries and as more territories approve its use.

Our products are typically aimed for sale into larger commercial vineyards, and not as a retail product for home use or smaller agricultural ventures. 3AEY has a strong scientific rationale which demonstrates its effectiveness and a number of clear commercial advantages over existing traditional chemical alternatives – most notably that 3AEY is formulated with compounds that are naturally-occurring and can be used right up to the point of harvest.

Our commercial strategy has been to develop strategic corporate partnerships with established organisations with experience in marketing and distribution into our target end markets. In the pursuit of this strategy we have a number of evaluation agreements underway, which attract initial upfront fees and that we hope to develop into full commercial agreements through 2016 and beyond.

In May last year we announced a new Evaluation Agreement with Sipcam Italia S.p.A. and Sipcam Iberia (collectively referred to as "Sipcam") to evaluate 2EY, our product that targets powdery mildew, a widespread fungal pathogen which affects flowers and fruit. As you will recall, Sipcam is an existing partner, and we are pleased with the expansion of this relationship. Furthermore, we see scope for further expansion into both new product areas and territories.

In April 2015 we extended our agreement with Taminco BVBA's crop protection division (a subsidiary of Eastman Chemical Company) to further evaluate our nematicide product, B2Y. This exclusive agreement came to an end on 31 March 2016, and we are encouraged by the outcome of the trials. Eden is now in negotiations to secure global arrangements for the commercialisation of this product. We will update the market on this emerging area when discussions are concluded.

Additional evaluation agreements are underway for 3AEY in new territories, including the key North American, South American and Australian markets, as well as further evaluations underway for 2EY for the treatment of powdery mildew and G3Y for the treatment of molluscs.

The potential for sales of 3AEY through our existing licensees (Sumi-Agro France, Sipcam and Redestos) is significant in Europe alone, but the opportunity is even more valuable when markets outside of the EU, such as the US and South America, are considered and we are making progress in arranging commercial terms with new licensees in these regions. I look forward to updating you on our progress with these important activities in due course.

II. Animal health

We continue to work closely with our licensee in the animal health sector, Bayer Animal Health. Bayer are now in the final stages of development of several products that contain our active ingredients and use our GO-E™ encapsulation system and we expect these to be launched in 2017. We are confident in the work that Bayer has been doing and anticipate that the products that emerge using Eden's technology will establish themselves as high-performing sector leaders in the North American market and potentially beyond.

Pet odour control products sold through TerpeneTech should benefit from the appointment of a new channel partner, and we expect 2016 will see a return to sales growth for these products.

III. Human health

In August we signed an exclusive licence agreement with TerpeneTech Limited granting them the right to use our technologies and intellectual property for the development of 'over the counter' head lice treatments for an upfront fee of £0.6m. This fee contributed to our licensing revenues. TerpeneTech are currently undertaking human clinical trials and this is proceeding as expected. Additional work is ongoing with respect to the appointment of product development and launch partners, and much of this work will be informed by upcoming decisions about the regulatory paths to pursue in key markets. Head lice treatment products can be approached differently (from a regulatory standpoint) in most of the world's largest markets, and TerpeneTech is taking care to ensure that the product registration strategy is sound and balances speed to market with product value and competitive differentiation.

Intellectual Property ("IP")

As an IP-led business it is essential that we continue to enhance and extend our core intellectual property portfolio and expand our technology base into new commercial markets. To this end we signed a collaboration and licence agreement with Intellectual Ventures ("IV") in September 2015. This agreement provides Eden with access to IV's world-leading IP-related services and global network of licensing and business development professionals and will add value to our IP portfolio and presence particularly in Asia, North America, and South America where we have had little reach to date.

IV is currently deploying a significant amount in the further protection and development of Eden's patent portfolio and expects to make a return on its investment through royalties on future Eden net sales of relevant products, and a deferred payment, based on the growth of Eden's enterprise value over time.

Strategy

Eden has spent years developing its intellectual property, product development capabilities, supply chain partnerships, toll manufacturing network, and contract research and commercialisation partnerships. These capabilities were developed in support of a technology licensing model centered around an "asset-light" approach. In short, Eden had to develop its products, prove they work, prove that they can be produced and then used effectively, and then hand them over to willing partners.

However, inherent in the licensing business model is the fact that the majority of a product's gross margins go to the licensing partner, the licensee. In cases where the full product, regulatory, and commercial risks are borne primarily by the licensee, this is a reasonable apportionment of value, giving the licensee a fair return for its investment in all of the other aspects of product commercialisation above and beyond the value of know-how and patents relating to the products. In Eden's case, apart from direct market access and local presence, Eden is in control of the full package for the commercialisation of the products it has developed.

I am pleased to say that over the past twelve months we have refined our commercialisation strategy and associated business model in order to derive more value from the products and technology that we have developed. Eden will consider both the licensing and product sale models when entering new product areas and markets, with product sales supported by appropriate contract manufacting and distribution arrangements. Indeed, we have already agreed to act as a product supplier to several existing licensees, and we have established a new direct distributor in Switzerland. This model will be increasingly utilised in new territories and for new products as we go forward in order to ensure revenue and profit maximisation. In the long term, this approach will help us to build brand value by establishing greater visibility in our end-use markets, and it will allow us to gain greater control over our supply chain.

This change is designed to help to ensure a fair return to Eden and its shareholders for the products that we have developed and supported over the years, and we anticipate that revenue and profit lines will grow at a higher rate than when compared with a pure licensing model.

Finally, this year Eden will focus some of its efforts on further developing and exploiting its brand. I have already mentioned the appeal of our product offerings (with their exemptions from maximum residue levels in Europe) to major European retailers, but we also plan to take this opportunity to better-develop our branding strategy in order to fully leverage our profile as a supplier of natural solutions. This will result in some changes to our product and technology naming conventions as well as some strengthening of our positioning with retailers, brand owners and major producers, all with the intended effect of greater market pull and influence.

Corporate Investment

During the year Eden acquired a 29.9% stake in TerpeneTech Limited for £0.92m, through the issue of 4,615,385 new Eden shares at 20p per share. TerpeneTech, an Eden licensee, has developed a number of products using our GO-E™ encapsulation system and IP. The decision to take a strategic stake in TerpeneTech was driven by the progress they have made and the opportunity to take a bigger share of the potential future value that will be derived from this relationship.

Post year end events

As mentioned above we were pleased to announce the receipt of regulatory approvals from Italy, Spain and Bulgaria following the year end. This year we were also able to announce our first commercial scale order and subsequent delivery of 3AEY from Redestos Group, Eden's partner in Greece and the Balkans, which will contribute to product sales and royalties in the 2016 financial year.

Most significantly, we were pleased to announce at the end of March 2016 a successful placing which raised £2.6m from new and existing institutional investors. Whilst the placing enables the Company to accelerate the execution of its strategy, we are also pleased to welcome a major new shareholder in Livingbridge VC LLP which invested £2m to obtain a 10.6% stake in the business and has the right to appoint a Director to the Board.

The additional funding with allow us to register new products and increase the global reach of our existing products. It will also allow us to start new trials in both plant protection products and personal care applications as well as pursue the commercialisation of animal health products outside of the United States.

Outlook

The outlook for the Company is better than it has been at any point in the past, and I remain confident that we are well-positioned to benefit from a growing number of commercial agreements as well as the increasing interest in our technology beyond the end-uses and geographies that we currently target. Our commercial pipeline has never been better, and we are aiming to enhance our capabilities for further commercial activity in the coming year. We recently announced the appointment of a seasoned industry veteran to advise on commercial strategy within the plant protection sector, and we are already benefiting from his years of experience and insights gained whilst working for major industry leaders.

In the short-term we expect to receive confirmation of product registrations for 3AEY in Portugal and France and we will further advance our application for product registration to combat powdery mildew, nematodes and molluscs, to name a few areas. In particular, we believe that we are close to concluding a commercial agreement for our nematicide product B2Y, and we look forward to updating shareholders in due course. We also expect to see a number of evaluations successfully concluded during the year.

We expect to see our global reach and IP portfolio expand during 2016 through our relationship with IV and will be targeting product sales partnerships in North America, South America and, likely, Australia. Eden is in the early stages of collaborations with multiple major generic and proprietary active ingredient suppliers to evaluate its encapsulation technology, both alone, and in synergistic combinations with terpenes. These collaborations should be formalised during the course of 2016 with both new and current partners.

Whilst we anticipate 2016 revenues to be made up of one time fees and milestone payments from licence agreements, we expect to see over time steady growth in product sales and royalties as more of our commercialisation partners launch products using our technology and as these products begin to get market traction.

We are well positioned for further growth in 2016 and beyond: the business is debt-free, well-funded and with a light overhead structure we expect that further revenue growth will move the business towards profitability.

I look forward to updating you as we reach key milestones throughout the year and at the half-year reporting, and in the meantime, I thank you for your confidence and support.

S M Smith
Chief Executive Officer

23 May 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Year Ended 31 December 2015

	Notes	**2015**	2014
		£	£
CONTINUING OPERATIONS			
Revenue	2	**883,312**	99,855
Cost of sales		**(98,708)**	-
GROSS PROFIT		**784,604**	99,855
Amortisation of intangible assets		**(655,304)**	(635,035)
Other administrative expenses		**(1,019,957)**	(1,022,836)
Share based payments		**(247,973)**	(187,621)
OPERATING LOSS		**(1,138,630)**	(1,745,637)
Finance costs	4	**(20,486)**	(1,252,295)
Finance income	4	**247**	117
LOSS BEFORE INCOME TAX	5	**(1,158,869)**	(2,997,815)
Income tax	6	**101,260**	28,347
LOSS FOR THE YEAR		**(1,057,609)**	(2,969,468)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,057,609)**	(2,969,468)
Earnings per share expressed in pence per share:	7		
Basic		**-0.68**	-2.36
Diluted		**-0.68**	-2.36

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 £	2014 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	**5,543,092**	5,923,740
Investments	9	**923,077**	-
		6,466,169	5,923,740
CURRENT ASSETS			
Trade and other receivables	10	**164,416**	62,535
Cash and cash equivalents	11	**148,360**	414,980
		312,776	477,515
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**752,552**	458,303
NET CURRENT (LIABILITIES)/ASSETS		**(439,776)**	19,212
NET ASSETS		**6,026,393**	5,942,952
SHAREHOLDERS' EQUITY			
Called up share capital	15	**1,587,583**	1,541,429
Share premium	16	**26,860,972**	26,014,049
Merger reserve	16	**10,209,673**	10,209,673
Warrant reserve	16	**735,453**	524,154
Retained earnings	16	**(33,367,288)**	(32,346,353)
TOTAL EQUITY		**6,026,393**	5,942,952

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2015

	Called up share capital	Share premium	Merger reserve	Warrant reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance at 1 January 2014	1,232,776	23,277,511	10,209,673	779,485	(29,819,837)	5,679,608
Loss and total comprehensive income	-	-	-	-	(2,969,468)	(2,969,468)
Transactions with owners						
- Issue of shares	308,653	2,736,538	-	-	-	3,045,191
- Options granted	-	-	-	187,621	-	187,621
- Options exercised/lapsed	-	-	-	(442,952)	442,952	-
Transactions with owners	308,653	2,736,538	-	(255,331)	442,952	3,232,812
Balance at 31 December 2014	1,541,429	26,014,049	10,209,673	524,154	(32,346,353)	5,942,952
Balance at 1 January 2015	**1,541,429**	**26,014,049**	**10,209,673**	**524,154**	**(32,346,353)**	**5,942,952**
Loss and total comprehensive income	**-**	**-**	**-**	**-**	**(1,057,609)**	**(1,057,609)**
Transactions with owners						
- Issue of shares	**46,154**	**846,923**	**-**	**-**	**-**	**893,077**
- Options granted	**-**	**-**	**-**	**247,973**	**-**	**247,973**
- Options exercised/lapsed	**-**	**-**	**-**	**(36,674)**	**36,674**	**-**
Transactions with owners	**46,154**	**846,923**	**-**	**211,299**	**36,674**	**1,141,050**
Balance at 31 December 2015	**1,587,583**	**26,860,972**	**10,209,673**	**735,453**	**(33,367,288)**	**6,026,393**

STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2015

	Note	2015	2014
		£	**£**
Cash flows from operating activities			
Cash generated from operations	1	**(185,635)**	(848,939)
Finance costs paid		**(20,486)**	(109,703)
Tax received		**101,260**	28,347
Net cash from operating activities		**(104,861)**	(930,295)
Cash flows from investing activities			
Capitalisation of development expenditure		**(132,006)**	(466,189)
Interest received		**247**	117
Net cash from investing activities		**(131,759)**	(466,072)
Cash flows from financing activities			
Issue of equity shares		**-**	750,000
Share issue costs		**(30,000)**	-
Loans		**-**	750,000
Net cash from financing activities		**(30,000)**	1,500,000
(Decrease)/increase in cash and cash equivalents		**(266,620)**	103,633
Cash and cash equivalents at beginning of year	2	**414,980**	311,347
Cash and cash equivalents at end of year	2	**148,360**	414,980

NOTES TO THE STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2015

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
Loss before income tax	**(1,158,869)**	(2,997,815)
Amortisation charges	**655,304**	635,035
Share based payment charge	**247,973**	187,621
Finance costs	**20,486**	1,252,295
Finance income	**(247)**	(117)
	(235,353)	(922,981)
(Increase)/decrease in trade and other receivables	**(244,532)**	67,233
Increase in trade and other payables	**294,250**	6,809
Cash generated from operations	**(185,635)**	(848,939)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	**148,360**	**414,980**

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	414,980	311,347

3. NON-CASH TRANSACTIONS

During the year ended 31 December 2015, the Company acquired 29.9% of the share capital of TerpeneTech Limited for £923,077. The consideration was paid via the issue of shares as disclosed in note 15 and was a major non-cash transaction. Share issue costs of £30,000 were incurred.

During the year ended 31 December 2014 debt, including finance charges, totalling £2,295,192 was converted into 20,865,382 shares.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

General information
Eden Research Plc is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is Suite 3, 15 Gosditch Street, Cirencester, Gloucestershire, GL7 2AG.. The nature of the Company's operations and its principal activities are set out in the Chairman's Report and the Chief Executive’s Report. The Company is quoted on the AiM Market in London.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has adopted the following revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the year beginning 1 January 2015.

IFRS 10, IFRS 12 and IAS 27 Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27
IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
IAS 36 Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39
IFRIC 21 Levies
IAS 19 Defined Benefit Plans: Employee Contributions - Amendments to IAS 19

The directors have assessed that the adoption of these revisions and amendments did not have an impact on the financial position or performance of the Company.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:-

Effective 1 January 2016

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10
and IAS 28
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11
IFRS 14 Regulatory Deferral Accounts
IAS 1 Disclosure Initiative - Amendments to IAS 1
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38

Effective 1 January 2018

IFRS 15 Revenue from Contracts with Customers
IFRS 9 Financial Instruments

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

Going Concern
The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company has reported a loss for the year after taxation of £1,057,609 (2014: £2,969,468). Net current liabilities at that date amounted to £439,776 (2014: £19,213 net current assets).

The directors have prepared budgets and projected cash flow forecasts for a period of two years from 31 December 2015 and they consider that the Company will be able to operate within the cash facilities that are available to it for this period. The ability of the Company to continue as a going concern is ultimately dependent upon the amounts and timing of cash flows from the exploitation of the Company's intellectual property and the availability of additional funding to meet the short term needs of the business until the commercialisation of the Company's portfolio is reached.

The forecasts adopted only include revenue derived from existing contracts and, while there is a risk these payments might be delayed if milestones are not reached, there is the significant potential upside from on-going discussions and negotiations with other parties as well as other "blue sky" opportunities.

In addition, the Company has relatively low fixed running costs and has a demonstrable ability to delay certain other costs, such as the forecast Research and Development expenditure, in the event of unforeseen cash restraints.

The directors are closely monitoring performance against cash flow projections that have been prepared for the period to 31 December 2016 and beyond and are confident that the Company will be able to generate the necessary cash resources over and above those referred to above.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a failure by the Company to meet these forecasts.

Revenue recognition
Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably estimated.

Revenue represents amounts receivable by the Company in respect of services rendered during the year in accordance with the underlying contract or licence, stated net of value added tax.

Royalty income and upfront payments are recognised as the royalties accrue in accordance with the terms of the underlying contract.

Amounts receivable under milestone agreements are recognised in accordance with the terms of the underlying agreement and are typically recognised upon the completion of the significant acts within the agreements. Revenue is specifically only recognised when the terms of any milestone are reasonably expected to be met and the relevant act has been completed as the Company has no contractual rights to the revenue until this point.

Licence fee revenue is recognised up-front as a sale of the Company if the Company has discharged all of its on-going obligations.

Intangible assets
Intellectual property, including development costs, is capitalised and amortised on a straight line basis over

its estimated useful economic life of 9 years in line with the remaining life of the Company's master patent, which was originally 20 years. The useful economic life of intangible assets is reviewed on an annual basis.

Impairment of non-financial assets

The directors regularly review the intangible assets for impairment and provision is made if necessary. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's development activities is recognised only if all the following conditions are met:

- the project is technically and commercially feasible;
- an asset is created that can be identified;
- the Company intends to complete the asset and use or sell it and has the ability to do so;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably; and
- there are sufficient resources available to complete the project.

Internally-generated intangible assets are amortised on a straight line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Financial instruments

The Company uses certain financial instruments in its operating and investing activities that are deemed appropriate for its strategy and circumstances.

Financial assets and liabilities are recognised on the Statement of Financial Position when the Company has become a party to the contractual provisions of the instrument.

Financial instruments recognised on the Statement of Financial Position include cash and cash equivalents, trade receivables, trade payables and borrowings and fixed interest convertible debt.

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Interest bearing loans and overdrafts are recorded at the fair value received less any transaction costs. Subsequent to initial recognition such instruments are measured at amortised cost, using the effective interest method.

Financial assets

Trade receivables, loans and other receivables that have fixed or determinable payments are classified as "Loans and receivables" and are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for impairment at each reporting date by considering the recoverable amount of the asset in comparison to its carrying value and any impairment recognised in the Statement of Comprehensive Income. Trade receivables are assessed for collectability and where appropriate the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account and changes in the carrying amount of the allowance account are recognised in the profit or loss in the Statement of Comprehensive Income.

Debt and equity instruments issued by the Company

Loan notes

Where loans that were previously convertible have been converted to equity in accordance with the original terms of the contract as a result of an agreement between the note holder and the Company, the value of the loan and any associated accrued interest is transferred to equity at nil gain, nil loss.

The Company also enters into agreements to convert loans and creditors into equity which were not convertible under the original terms of the agreement. Where this is the case the Company applies the requirements of IFRIC 19 and recognises the issue of equity at the fair value of the instruments issues. Any profit or loss arising on the extinguishment of the liability is taken to profit or loss.

Convertible loans

Due to the nature of the arrangements management are required to make significant judgments in order to determine whether the conversion of loans has taken place in accordance with the original terms of the underlying agreement. Each conversion is considered individually. During the previous year all conversions were deemed to have been made in accordance with the original terms of the agreements. There were no conversions made in 2015.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities such as trade payables and loans are classified as "Other financial liabilities" and are measured initially at fair value less transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, except for short term payables when the recognition of interest would be immaterial.

Non-executory contracts are recognised when all obligations due to the Company under the terms of the contract have been met, but the Company retains a financial liability. This financial liability is measured in accordance with the Company's accounting policy for the measurement of financial liabilities.

Leasing

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

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Share-based payments
The Company has applied the requirements of IFRS2 Share-Based Payments.

The Company operates an unapproved share option scheme for executive directors, senior management and certain employees.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted, as long as other vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions.

Financial risk management
The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risks), credit risk and liquidity risk. Risk management focuses on minimising any potential adverse effect on the Company's financial performance and is carried out under policies approved by the Board of Directors. Further detail is given in note 21 to the financial statements.

Current and deferred income tax
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 year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally 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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Critical accounting estimates and areas of judgement
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Capitalised development costs
The directors have considered the recoverability of the internally generated intangible asset which has a carrying value of £1.9m. The projects continue to progress in a satisfactory manner and the directors are confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

The key factors which could impact upon whether it remains appropriate to continue to capitalise intangible assets or on the impairment considerations include:

- The availability of the necessary finance and hence the ability of the Company to continue as a going concern.
- The assumptions surrounding the perceived market sizes for the products and the achievable market share for the Company.
- The successful conclusion of licensing arrangements will serve as an indicator as to the likely success of the projects and, as such, any need for potential impairment.
- The level of upfront, milestone and royalty receipts will also serve as a guide as to the net present value of the assets and whether any impairment is required.

Impairment of assets
The directors have considered the progress of the business in the current year, including a review of the potential market for its products, the progress the Company has made in registering its products and other key commercial factors to determine whether any indicators of impairment exist. Based upon the review management have carried out they are satisfied that no such factors exist and therefore a full impairment review on the Company's intangible assets has not been carried out.

Going concern
The directors have considered the ability of the Company to continue as a going concern and this is considered to be the most significant estimate made by the directors in preparing the financial statements.

The ability of the Company to continue as a going concern is ultimately dependent upon the amount and timing of cash flows arising from the capitalisation of the Company's intellectual property. The directors consider it is appropriate for the financial statements to be prepared on a going concern basis based on the estimates they have made, which are summarised above.

Convertible loans
Due to the nature of the arrangements management are required to make significant judgements in order to determine whether conversion of loans has taken place in accordance with the original terms of the

underlying agreement.

2. SEGMENTAL REPORTING

IFRS 8 requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for the resource allocation and assessing performance of the operating segments, has been identified as the Board of Directors as it is primarily responsible for the allocation of the resources to segments and the assessment of performance of the segments.

The Board of Directors monitor and then assess the performance of segments based on product type and geographical area using a measure of adjusted EBITDA. This is the result of the segment after excluding the share based payment charges, other operating income and the amortisation of intangibles. These items, together with interest income and expense are not allocated to a specific segment.

The segmental information for the year ended 31 December 2015 is as follows:

	Licensing fees	**Milestone payments**		**Evaluation fees**	**Royalties**		**Grant funding**	**Product sales**		
	£	**£ Europe**	**£ Africa**	**£**	**£ Europe**	**£ Africa**	**£**	**£ Africa**	**£ Unallocated**	**Total £**
Biocides	-	12,346	-	-	3,031	-	-	-	-	**15,377**
Human health	600,000	-	-	-	-	-	-	-	-	**600,000**
Agrochemicals	138,068	-	50,676	45,214	-	3,345	531	30,101	-	**267,935**
TOTAL	**738,068**	**12,346**	**50,676**	**45,214**	**3,031**	**3,345**	**531**	**30,101**	-	**883,312**
Adjusted EBITDA	-	-	-	-	-	-	-	-	**(235,353)**	**(235,353)**
Amortisation	-	-	-	-	-	-	-	-	**(655,304)**	**(655,304)**
Depreciation	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	**(247,973)**	**(247,973)**
Other operating income	-	-	-	-	-	-	-	-	-	-
Net Finance costs	-	-	-	-	-	-	-	-	**(20,239)**	**(20,239)**
Income tax	-	-	-	-	-	-	-	-	**101,260**	**101,260**
Loss for the year	-	-	-	-	-	-	-	-	**(1,057,609)**	**(1,057,609)**
Total assets	-	-	-	-	-	-	-	-	**6,778,945**	**6,778,945**
Total assets includes:	-	-	-		-	-	-	-	-	-
Additions to non-current assets	-	-	-	-	-	-	-	-	**274,656**	**274,656**
Total liabilities	-	-	-	-	-	-	-	-	**(752,552)**	**(752,552)**

The segmental information for the year ended 31 December 2014 is as follows:

	Data-Sharing	**3AEY**		**Biocides**	**Encapsulation**	
	Europe £	**Europe £**	**Unallocated £**	**Europe £**	**Europe £**	**Total £**
Total segment revenue	16,935	63,493	1,339	12,888	5,200	**99,855**
Inter segment revenue	-	-	-	-	-	**-**
Revenue from external customers	16,935	63,493	1,339	12,888	5,200	**99,855**
Adjusted EBITDA	-	-	(922,981)	-	-	**(922,981)**
Amortisation	-	-	(635,035)	-	-	**(635,035)**
Depreciation	-	-	-	-	-	**-**
Share based payments	-	-	(187,621)	-	-	**(187,621)**
Other operating income	-	-	-	-	-	**-**
Net Finance costs	-	-	(1,252,178)	-	-	**(1,252,178)**
Income tax	-	-	28,347	-	-	**28,347**
Loss for the year	-	-	(2,969,468)	-	-	**(2,969,468)**
Total assets	-	-	6,401,255	-	-	**6,401,255**
Total assets includes:						
Additions to non-current assets	-	-	466,189	-	-	**466,189**
Total liabilities	-	-	458,303	-	-	**458,303**

3. EMPLOYEES AND DIRECTORS

	2015	2014
	£	£
Wages and salaries	**385,471**	259,333
Social security costs	**33,074**	22,541
	418,545	281,874

The average monthly number of employees during the year was as follows:

	2015	2014
Management	**5**	6

Staff costs, including executive directors' remuneration, are included within administrative expenditure in the Statement of Comprehensive Income. The executive directors are considered to also be the key management personnel of the Company.

	2015	2014
	£	£
Director's remuneration	**308,616**	216,833
	308,616	216,833
Non-executive directors' fees	**76,855**	42,500
Total directors' emoluments	**385,471**	259,333
Share based payment charge relating to all directors	**142,959**	58,610

During the year the remuneration of the highest paid director was £317,526 (2014: £105,083).

2015	**Salary**	**Bonus**	**Fees**	**Share based payments**	**Total**
	£	**£**	**£**	**£**	**£**
A Abrey	**86,250**	**31,050**	**-**	**4,884**	**122,184**
K Brooks	**7,500**	**-**	**22,500**	**-**	**30,000**
C Newitt	**4,365**	**-**	**-**	**-**	**4,365**
T Lupton	**-**	**-**	**35,000**	**-**	**35,000**
S Smith	**137,335**	**42,116**	**-**	**138,075**	**317,526**
R Cridland	**-**	**-**	**19,355**	**-**	**19,355**
	235,450	**73,166**	**76,855**	**142,959**	**528,430**

2014	Salary	Bonus	Fees	Share based payments	Total
	£	£	£	£	£
A Abrey	75,000	12,500	-	17,583	105,083
K Brooks	30,000	-	30,000	35,166	95,166
C Newitt	33,333	-	-	5,861	39,194
B Gill	-	-	12,500	-	12,500
T Lupton	30,000	-	-	-	30,000
S Smith	36,000	-	-	-	36,000
	204,333	12,500	42,500	58,610	317,943

4. NET FINANCE COSTS

	2015	2014
	£	£
Finance income:		
Deposit account interest	**247**	117
Finance costs:		
Bank interest		-
Exchange variances	**20,064**	6,457
Finance fees	**422**	1,245,838
	20,486	1,252,295
Net finance costs	**20,239**	1,252,178

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2015	2014
	£	£
Licences and trademarks amortisation	**15,723**	15,723
Development costs amortisation	**200,093**	179,824
Intellectual property amortisation	**439,488**	439,488
Auditors' remuneration	**16,000**	16,000
Equity share based payments	**247,973**	187,621
Foreign exchange differences	**20,064**	6,457

6. INCOME TAX

Analysis of tax income

	2015	2014
	£	£
Current tax:		
Tax	**(101,260)**	(28,347)
Total tax income in statement of profit or loss and other comprehensive income	**(101,260)**	(28,347)

Corporation tax

No tax charge arises on the results for the year (2014: £nil). Tax losses carried forward amount to approximately £21,864,657 (2014: £20,807,048). The tax credit represents the research and development tax credit receivable for the year ended 31 December 2015.

Factors affecting the tax charge

The UK standard rate of corporation tax is 20.25% (2014: 21.49%). Current tax assessed for the financial year as a percentage of the loss before taxation is nil (2014: nil)

The differences are explained below:

	2015	**2015**	2014	2014
	£	**%**	£	%
Standard rate of corporation tax in the UK		**(20.25)**		(21.49)
Loss before tax at standard rate of tax	**(214,166)**		(644,230)	
Effects of Losses carried forward	**200,104**	**20.0**	603,711	20.0
Other expenses not deductible for tax purposes	**14,062**	**1.0**	40,519	1.0
Research and development tax relief	**(101,260)**	**10**	(28,347)	(1.0)
Total current tax credit and tax rate %	**(101,260)**	**(10)**	(28,347)	(1.0)
Deferred tax				
Unprovided deferred tax asset	**4,376,441**		4,178,347	

The unprovided deferred tax asset arises principally in respect of trading losses, together with other minor timing differences at 20% (2014: 21%) and has not been recognised due to the uncertainty of timing of future profits against which it may be realised.

7. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below:

	Earnings £	**2015 Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**(1,057,609)**	**155,685,557**	**-0.68**
Effect of dilutive securities	-	**-**	**-**
Diluted EPS			
Adjusted earnings	**(1,057,609)**	**155,685,557**	**-0.68**

	2014		
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(2,969,468)	125,752,471	-2.36
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(2,969,468)	125,752,471	-2.36

Due to the loss for the year there is no dilution of the loss per share arising from options in existence.

8. INTANGIBLE ASSETS

	Licences and trademarks £	Development costs £	Intellectual property £	Totals £
COST				
At 1 January 2015	**447,351**	**2,979,440**	**8,591,774**	**12,018,565**
Additions	**-**	**209,058**	**65,598**	**274,656**
At 31 December 2015	**447,351**	**3,188,498**	**8,657,372**	**12,293,221**
AMORTISATION				
At 1 January 2015	**352,867**	**1,049,726**	**4,692,232**	**6,094,825**
Amortisation for year	**15,723**	**200,093**	**439,488**	**655,304**
At 31 December 2015	**368,590**	**1,249,819**	**5,131,720**	**6,750,129**
NET BOOK VALUE				
At 31 December 2015	**78,761**	**1,938,679**	**3,525,652**	**5,543,092**

	Licences and trademarks £	Development costs £	Intellectual property £	Totals £
COST				
At 1 January 2014	447,351	2,513,251	8,591,774	11,552,376
Additions	-	466,189	-	466,189
At 31 December 2014	447,351	2,979,440	8,591,774	12,018,565
AMORTISATION				
At 1 January 2014	337,144	869,902	4,252,744	5,459,790
Amortisation for year	15,723	179,824	439,488	635,035
At 31 December 2014	352,867	1,049,726	4,692,232	6,094,825
NET BOOK VALUE				
At 31 December 2014	94,484	1,929,714	3,899,542	5,923,740

The amortisation charge is included within overhead expenses. Intellectual property represents intellectual property in relation to use of encapsulated terpenes in agrochemicals. The remaining useful economic life of that asset is nine years.

An annual impairment review is undertaken by the Board of Directors only where there are indicators that an impairment may exist. The directors have considered the progress of the business in the current year, including a review of the potential market for its products, the progress the Company has made in registering its products and other key commercial factors to determine whether any indicators of impairment exist. Based on the review management have carried out they are satisfied that no such factors exist and as such a full impairment review on the Company's intangible assets has not been carried out.

An independent valuation was undertaken by PharmaVentures Limited in 2010 on a number of the Company's product programmes and the estimated future value exceeds the current carrying value.

The valuers used an industry-standard methodology that combines discounted cash flow projections with decision tree analysis to allow explicitly for development risk. For each programme an expected net present value was derived, which provides a measure of the programme's current economic value.

The valuation was carried out on Eden's botrytis, powdery mildew and nematode products using third party information on the market sizes and based on assumptions with regard to the potential market share achievable.

The Estimated Net Present Value of 3AEY, Eden's lead botryticide product, alone exceeded the current carrying value of the Company's intellectual property.

The key assumptions used in completion of the valuation included:

- The projected market sizes for the key products which the Company is developing. These include a projected market of $214m for 3AEY, $100m for Powdery Mildew, and $296m for nematodes.
- The projected market share attainable by the Company. In preparing the valuation, a base projected market share growing to 5% of the relevant markets has been assumed.
- As the nature of the Company's revenue streams are a mixture of milestone payments, licence income and royalties, there are no specific projected growth rates used - the timing of the attainment of the milestones which are attainable on project by project basis is a key assumption in the forecasts.
- The discounted cash flows have assumed a discount factor of 9%.

All revenues have been projected to come from the cash generating units identified in the segmental reporting and Chairman's review, namely the key product lines of the Company.

9. INVESTMENTS

	Interest in other participating interests £
COST	
Additions	**923,077**
As at 31 December 2015	**923,077**
NET BOOK VALUE	
As at 31 December 2015	**923,077**

During the year the Company acquired 29.9% of the share capital of TerpeneTech Limited for £923,077. The consideration was paid via the issue of shares as disclosed per note 15. A report by an independent valuer for the purposes of section 593 of the Companies Act 2006 was prepared for the Board in respect of this transaction.

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	£	£
Current:		
Trade and other receivables	**144,997**	34,393
VAT recoverable	**19,419**	28,142
	164,416	62,535

The directors consider that the carrying value of trade and other receivables approximates to the fair value. Trade receivables are included net of a provision of £nil (2014: £35,821). Details of debts past due but not impaired are given in note 21.

11. CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Short term bank deposits	**148,360**	414,980

The carrying amount of these short term bank deposits approximates to the fair value.

12. TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Current:		
Trade payables	**326,940**	291,687
Other payables	**25,668**	22,377
Accruals and deferred income	**399,944**	144,239
	752,552	458,303

The directors consider that the carrying value of trade and other payables approximates to their fair value. See note 21 for disclosure of the amount of trade payables denominated in foreign currency. See Directors' Report for disclosure of the average credit period taken.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015	2014
	£	£
Between one and five years	**11,958**	-
	11,958	-

14. FINANCIAL ASSETS AND LIABILITIES

	Note	2015	2014
		£	£
Financial assets at amortised cost			
Other receivables	10	**164,416**	62,535
Cash and cash equivalents	11	**148,360**	414,980
		312,776	477,515

Financial liabilities measured at amortised cost		2015	2014
Current:		£	£
Trade and other payables	12	**752,552**	458,303
		752,552	458,303

15. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2015 £	2014 £
158,758,265	Ordinary	0.01	**1,587,583**	1,541,429

Alloted, issued and fully paid Number:	Class:	Nominal value:	2015 £	2014 £
158,758,265 (2014: 154,142,880)	Ordinary	0.01	**1,587,583**	1,541,429

During the year the Company issued 4,615,385 ordinary shares at 20p each. Total consideration was £923,077. The shares were issued in exchange for an investment in TerpeneTech Limited. Share issue costs of £30,000 were incurred and have been charged to the share premium account as detailed in note 16.

The number of £0.01 ordinary shares issued in the year totalled 4,615,385 (2014: 30,865,382).

Date	Number of ordinary shares	Aggregate nominal value	Issue Price	Premium on issue	Total share premium
		£	£	£	£
28/08/2015	4,615,385	46,154	0.01	0.19	876,923
		46,154			876,923

16. RESERVES

	Retained earnings	Share premium	Merger reserve	Warrant reserve	Totals
	£	£	£	£	£
At 1 January 2015	**(32,346,353)**	**26,014,049**	**10,209,673**	**524,154**	**4,401,523**
Deficit for the year	**(1,057,609)**	**-**	**-**	**-**	**(1,057,609)**
Share issued	**-**	**876,923**	**-**	**-**	**876,923**
Share issue costs	**-**	**(30,000)**	**-**	**-**	**(30,000)**
Options granted	**-**	**-**	**-**	**247,973**	**247,973**
Options exercised/lapsed	**36,674**	**-**	**-**	**(36,674)**	**-**
At 31 December 2015	**(33,367,288)**	**26,860,972**	**10,209,673**	**735,453**	**4,438,810**

The merger reserve arose on the acquisition of a subsidiary undertaking in a prior year for which merger relief was permitted under the Companies Act 2006. The warrant reserve represents the fair value of share options and warrants granted, and not exercised or lapsed, in accordance with the requirements of IFRS 2 Share Based Payment.

17. CAPITAL COMMITMENTS

The Company had no capital commitments at 31 December 2015 (2014: £nil).

18. CONTINGENT LIABILITY

In September 2015, the Company entered into a Collaboration and Licence agreement with Intellectual Ventures. As part of this agreement, upon successful completion of a number of different tasks, Intellectual Ventures will be entitled to a payment which is calculated using the value of the Company at a future date. As at 31 December 2015, no contingent liability had been realised.

19. RELATED PARTY DISCLOSURES

Disclosures required in respect of IAS 24 regarding remuneration of key management personnel are covered by the disclosure of directors' remuneration included within note 3.

Transactions with other related parties are set out below:

During the year, the Company traded with A H Brooks, of which K W Brooks, a former director of the Company until 10 June 2015, is a partner. The transactions in aggregate were as follows:-

	2015	2014
	£	£
Rent	**5,000**	30,000
Provision of consulting services	**4,167**	25,000
Trade payables due at the year end	**-**	8,500

During the year, the Company traded with Ricewood Limited, of which A Abrey, a director, is a director and shareholder, in respect of consultancy services, as follows:-

	2015	2014
	£	£
Provision of consultancy services	**15,000**	20,000
Trade payables due at the year end	**-**	2,416

The directors regard all the transactions disclosed above as being in the normal course of business and the transactions were enacted at arms' length.

20. SHARE-BASED PAYMENT TRANSACTIONS

Share Options

Eden Research Plc operates an unapproved option scheme for executive directors, senior management and certain employees.

	2015 Weighted average exercise price (pence)	**Number**	2014 Weighted average exercise price (pence)	Number
Outstanding at the beginning of the year	**12**	**4,650,000**	19	6,350,000
Granted during the year	**18**	**1,625,000**	8	1,500,000
Lapsed during the year	**18**	**(200,000)**	12	(3,200,000)
	11	**6,075,000**	12	4,650,000

The exercise price of options outstanding at the end of the year ranged between 8p and 18p (2014: 10p and 18p) and their weighted average contractual life was 1.5 years (2014: 2.1 years). None of the options have vesting conditions.

The share based payment charge for the year was £142,959 (2014: £58,610). The weighted average fair value of each options granted during 2015 was 9p (2014: 4p).

The following information is relevant in the determination of the fair value of options granted during the year under the unapproved options scheme operated by Eden Research Plc.

Equity-settled

Option price model used	Black Scholes
Weighted average share price at grant date (pence)	12
Exercise price (pence)	15
Weighted average contractual life (days)	1,093
Expected volatility	64.4%
Expected dividend growth rate	-
Risk-free interest rate	0.95%

Expected volatility is calculated based on historic share price movements.

Warrants

	2015 Weighted average exercise price (pence)	**Number**	2014 Weighted average exercise price (pence)	Number
Outstanding at the beginning of the year	**13**	**3,340,000**	14	1,231,875
Granted during the year	**15**	**2,337,867**	10	2,760,000
Lapsed during the year	**-**	**-**	18	(651,875)
	14	**5,677,867**	13	3,340,000

The exercise price of warrants outstanding at the end of the year ranged between 11p and 30p (2014: 11p and 30p) and their weighted average contractual life was 3 years (2014: 4.5 years). None of the warrants have vesting conditions.

The share based payment charge for the year was £105,014 (2014: £129,011). The weighted average fair value of each warrant granted during the year was 5p (2014: 5p).

21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

Credit risk

	2015	2014
	£	£
Cash and cash equivalents	**148,360**	414,980
Trade receivables	**144,997**	34,393
	293,357	449,373

The average credit period for sales of goods and services is 30 days. No interest is charged on overdue trade receivables. At 31 December 2015 trade receivables of £28,899 (2014: £34,393) were past due. The Company has provided for £nil (2014: £35,821) of trade receivables.

Trade receivables of £28,900 (2014: £34,393) at the reporting date are held in Euros (2014: Sterling) and £84,122 (2014: £nil) were held in USD.

The Company's policy is to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. At the balance sheet date, the directors consider that no provision for doubtful debts is required and that there is no further credit risk.

	2015	2014
	£	£
Trade payables	**326,940**	291,687
Other payables	**25,668**	22,377
Accruals and deferred income	**399,944**	144,239
	752,552	458,303

The carrying amount of trade payables approximates to fair value.

The average credit period on purchases of goods is 30 days. No interest is charged on trade payables. The Company has policies in place to ensure that trade payables are paid within the credit timeframe or as otherwise agreed.

Credit risk
As explained above, the directors consider there is no material exposure to credit risk at the reporting date.

Currency risk
The Company publishes its financial statements in pounds sterling and conducts some of its business in US dollars and Euros. As a result, it is subject to foreign currency exchange risk due to exchange movements, which will affect the Company's transaction costs and translation of the results. No financial instruments are utilised to manage risk and currency gains, and losses are charged to the Statement of Comprehensive Income as incurred. At the year end, the Company had the following net foreign currency balances in liabilities.

	2015	2014
	£	£
US dollars	**137,572**	94,811
Euro	**12,117**	89,273
	149,689	184,084

Liquidity risk

Short-term flexibility is achieved by shareholder loans. The interest rate profile and maturity profile of financial liabilities is set out below:-

The interest rate profile of the Company's financial liabilities at 31 December 2015 was:-

	Total	**Fixed rate financial liabilities**	**Financial liabilities on which no interest is paid**
	£	**£**	**£**
Sterling			
2015	**602,863**	-	**602,863**
2014	274,219	-	274,219
Euro			
2015	**12,117**	-	**12,117**
2014	89,273	-	89,273
US Dollars			
2015	**137,572**	-	**137,572**
2014	94,811	-	94,811

	Weighted average interest rate	**Weighted average period for which rate is fixed**	**Weighted average period until maturity**
	%	**Years**	**Years**
Sterling			
2015	-	-	-
2014	7.5	1.0	1.0

All the Euro and US Dollar liabilities are held within trade creditors and are non-interest bearing.

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities at 31 December was as follows:-

	2015	2014
	£	£
In one year or less, or on demand	**752,552**	**458,303**
	752,552	**458,303**

Liquidity risk is managed by regular monitoring of the Company's undrawn borrowing facilities, levels of cash and cash equivalents, and expected future cash flows, and availability of loans from shareholders. See note 1 for further details on the going concern position of the Company.

Market price risk

The Company's exposure to market price risk comprises interest rate and currency risk exposures. It monitors these exposures primarily through a process known as sensitivity analysis. This involves estimating the effect on results before tax over various periods of a range of possible changes in interest rates and exchange rates. The sensitivity analysis model used for this purpose makes no assumptions about any interrelationships between such rates or about the way in which such changes may affect the economies involved. As a consequence, figures derived from the Company's sensitivity analysis model should be used in conjunction with other information about the Company's risk profile.

The Company's policy towards currency risk is to eliminate all exposures that will impact on reported results as soon as they arise. This is reflected in the sensitivity analysis, which estimates that five and ten percentage point increases in the value of sterling against all other currencies would have had minimal impact on results before tax.

On the other hand, the Company's policy is to accept a degree of interest rate risk as long as the effects of various changes in rates remain within certain prescribed ranges. On the basis of the Company's analysis, the only financial liabilities held by the Company are loans which are subject to a fixed rate of interest. As such it is considered that any increases in interest rates would not have had an impact on the Company's loss before tax for the year.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company seeks to enhance shareholder value by capturing business opportunities as they develop. To achieve this goal, the Company maintains sufficient capital to support its business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company looks to maintain a reasonable debt position by repaying debt or issuing equity, as and when it is deemed to be required.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 31 December 2014.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 10% (2014: below 10%).The Company includes within net debt, interest bearing loans and borrowings, a loan from a venture partner, trade and other payables, less cash and cash equivalents.

	2015	2014
	£	£
Borrowings	**-**	-
Less: Cash and cash equivalents	**(148,360)**	(414,980)
Net debt	**(148,360)**	(414,980)
Total equity	**6,026,393**	5,942,952
Total capital	**5,878,033**	5,527,972
Gearing ratio	**0%**	0%