OKYO Pharma Limited
Interim results for the six months to 30 September 2019

OKYO Pharma Limited (LSE:OKYO) (the "Company") is pleased to announce unaudited interim results for the six months to 30 September 2019.

Financial Highlights:

- Total assets decreased to £0.5 million (30 March 2019: £0.6 million)
- Cash on hand of £0.05 million (30 March 2019: £0.5 million)
- Operational expenses continue to be rigorously controlled at all levels
- During the financial period under review, the Company reported a total comprehensive loss of £0.9 million (30 March 2019: £3.8 million).

Company Focus:

Company's focus is to develop drugs for inflammatory dry eye diseases and chronic pain by targeting G protein-coupled receptors (GPCRs). GPCRs is the largest family of membrane proteins involved in many biological processes. Targeting GPCR is proven to be an innovative approach for treatment of a wide range of conditions including cardiovascular disease, cancer and diabetes. Approximately 1/3 of all Food and Drug Administration (FDA) approved drugs target members of this family.

Chemerin Project:

The chemerin receptor (CMKLR1 or ChemR23) is a chemokine like G protein-coupled receptor (GPCR) expressed on select populations of cells including inflammatory mediators as well as epithelial cells. Chemerin acts as a ligand for Chem23 receptor and activates proinflammatory pathways through GPCR signaling. Inflammation is the most common underlying cause of dry eye disease (DED). Therefore, anti-inflammatory treatment is important in improving dry eye symptoms. A 15-aa peptide derived from chemerin (Chem-15) exhibited potent anti-inflammatory properties in *in vitro* and *in vivo* models of inflammation that are mediated through ChemR23. OKYO is developing novel chemerin derived peptides for dry eye treatment.

A proprietary GPCR agonist of Chem23 (OK-113), which was discovered in-house, showed potent anti-inflammatory activity in an experimental model of DED in mice. Topical treatment, as eye drops, with OK-113 reduced corneal permeability and other symptoms of dry eye in a mouse model of DED. OK-113 is currently being evaluated for safety and toxicity in a rabbit model. The demonstration of potent anti-inflammatory activity in the mouse model of DED and the results exhibiting absence of local irritation in a rabbit model will be important basis for the initiation of the upcoming IND-enabling studies, and subsequently to IND submission of Chemerin for DED indication. Anticipated IND-submission date for Chemerin is March 2021.

BAM8 Project:

Human Mas-Related G Protein-coupled Receptor (MRGPR) is a promising target for blocking pain since it is mainly expressed in nociceptors within the peripheral nervous system. Bovine Adrenal Medulla 8–22 (BAM8-22), a 15 amino acid endogenous peptide, is an agonist of human MRGPRX1. BAM8-22 does not contain the met-enkephalin motif; therefore, it displays no affinity for opioid receptors. MRGPR knock out mice studies suggested that BAM8-22 blocks both inflammatory and neuropathic pain in mice after nerve injury suggesting that agonists for MRGPR may represent a

class of non-opioid analgesics for treating chronic pain with minimal side effects because of the highly specific expression of these receptors.

On 2nd February 2018, the company obtained the licence agreement from Tufts Medical Center of the right to exploit all the intellectual property claimed in patent application PCT/US2016/0611101 'Lipidated BAM8 and methods of using same' being claims in composition of matter and methodology for treating symptoms of neuropathic chronic pain, ocular pain and uveitis associated pain. OKYO has identified novel Bam8-22 analogs that have potential to ameliorate inflammation and neuropathic pain.

A collaborative agreement was signed with Pedram Hamrah, MD, Professor of Ophthalmology at Tufts University School of Medicine, Boston, MA on August 6, 2019 to evaluate OKYO's proprietary lead compounds as non-opioid analgesics to suppress corneal neuropathic pain using a mouse ocular pain model recently developed in Dr. Hamrah's laboratory. These collaborative studies will provide additional 'Proof-of-Concept' results for the Bam8-22 analogs as potential non-opioid analgesics.

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About OKYO

OKYO Pharma Limited (LSE: OKYO) is a life sciences and biotechnology company admitted to listing on the standard segment of the Official List of the UK Financial Conduct Authority and to trading on the Main Market for listed securities of the London Stock Exchange plc. OKYO is focusing on the discovery and development of novel molecules to treat inflammatory dry eye diseases and chronic pain.
Website: www.okyopharma.com

OKYO Pharma Limited

Chairman's statement

Dear Shareholders,

I am pleased to report on the Group's financial results for the six months ended 30 September 2019.

Results to 30 September 2019

During the financial period under review, the Company reported a total comprehensive loss of £0.89 million (30 September 2018: £1.19 million).

The Company's shareholders' loss at 30 September 2019 stood at £0.2 million (30 September 2018**:** equity of £1.1 million), due to expenses incurred during the period.

Cash was £54,647 at the end of the period (30 September 2018**:** £1.2 million).

Total number of shares in issue as at September 30, 2019 was 560,471,918. 36,363,636 new shares were issued during the year.

Fund raising

During the six months to 30 September, 2019, OKYO raised £400,000 in funds, the funds were raised to (i) complete of the IND-enabling studies in order for the Company to make the IND submission for the Chemerin

technology by the first quarter of 2020, and (ii) to cover the associated costs relating to the estimated completion of the pre-clinical studies of BAM-8, which would provide a basis for further IND enabling studies. The Company is currently active on a fundraising through private placement aiming to raise enough funds to support the working capital expenditure for the next 12 months.

Operations in Review

Chemerin Project

On 28 August 2019, the Company announced potent anti-inflammatory activity of OK-113, an in-house discovered proprietary agonist of Chemerin GPCR, in an experimental model of dry eye disease (''DED'') in mice. These preclinical efficacy data, identifying a lead drug candidate, will facilitate initiation of clinical studies for DED treatment in 2020.

Targeting GPCR, a 'Nobel Prize' winning scientific concept, is proven to be an innovative approach for treatment of a wide range of inflammatory diseases, cancers and non-opioid analgesics for management of chronic pain. More than 40% of the drugs available in the global market target GPCR.

Topical treatment, as eye drops, with OK-113 showed potent anti-inflammatory effects to reduce corneal permeability and other symptoms of dry eye in a mouse model of DED. In these studies, OK-113 was as potent as cyclosporine, an immunosuppressive drug which is the active ingredient of Restasis® (Allergan).

The demonstration of potent anti-inflammatory activity in the mouse model of DED and the results exhibiting absence of local irritation in a rabbit model are important bases for initiation of the upcoming IND-enabling studies, and subsequently to IND submission for DED treatment.

BAM8 Project

On 19 August 2019, the company announced a collaborative agreement with Pedram Hamrah, MD, Ophthalmology Scientist and Cornea Specialist at Tufts Medical Center, and Professor of Ophthalmology at Tufts University School of Medicine, Boston, MA, to evaluate proprietary lead compounds, targeting G-protein coupled receptors ("GPCRs"), as non-opioid analgesics.

Based on preclinical research, the Company have identified novel Bovine Adrenal Medulla ("Bam8") analogs that have potential to ameliorate inflammation and neuropathic pain. The research collaboration with Dr. Hamrah is focused on evaluation of lead compounds as non-opioid analgesics to suppress corneal neuropathic pain using a mouse ocular pain model recently developed in Dr. Hamrah's laboratory at Tufts Medical Center, Boston. Dr. Hamrah is a prominent key opinion leader in Ocular Immunology, Inflammation and Ocular Pain.

Dr. Hamrah is a prominent key opinion leader in Ocular Immunology, Inflammation and Ocular Pain. Recently, he was featured in The Wall Street Journal article on 'When Routine Eye Surgery Leads to Debilitating Pain'.(https://www.wsj.com/articles/when-routine-eye-surgery-leads-to-debilitating-pain-11562008367). These collaborative studies will provide additional 'Proof-of-Concept' results for the Bam8 analogs as potential non-opioid analgesics.

Summary

OKYO is focused on GPCR Technology Platform, a novel approach to develop innovative therapies for inflammatory dry eye diseases and chronic pain management. More than 40% of the drugs available in the global market target GPCRs. Large market potential and growth exists for GPCR targeted drugs for treating a wide variety of indications such as inflammation, oncology, cardiovascular diseases and inflammatory eye diseases including dry eye, uveitis and allergic conjunctivitis.

As such it is the intention that the Company will work closely with its retained clinicians with a view to generating incremental value for its shareholders.

Willy Simon
Executive Chairman
29 November 2019

OKYO Pharma Limited

Consolidated statement of comprehensive income

for the six months ended 30 September 2019

	Notes	**Six months ended 30 September 2019 (unaudited) £**	**Six months ended 30 September 2018 (unaudited £**	**Year ended 31 March 2019 £**
Continuing operations				
Income		**-**	**-**	**-**
Operating expenses				
Research and development costs		**(276,910)**	**(162,905)**	**(2,333,765)**
Operating expenses		**(593,956)**	**(1,011,861)**	**(1,412,836)**
Impairment and write offs	*1*	**-**	**-**	**-**
Total operating loss	*5*	**(870,866)**	**(1,174,766)**	**(3,746,601)**
Other losses		**(21)**	**(18,013)**	**(12,123)**
Loss before income tax		**(870,887)**	**(1,192,780)**	**(3,758,724)**
Taxation		**-**	**-**	**-**
Loss for the year		**(870,887)**	**(1,192,780)**	**(3,758,724)**
Other comprehensive (loss)/income - foreign currency translation reserve		**(14,541)**	**(465)**	**(895)**
Total comprehensive loss for the period		**(885,428)**	**(1,193,245)**	**(3,759,619)**
Basic and diluted loss per share	*17*	**(0. 01)**	**(0. 00)**	**(0. 01)**

OKYO Pharma Limited

Consolidated statement of financial position

As at 30 September 2019

	Notes	**Six months ended 30 September 2019 (unaudited) £**	**At 31 March 2019 £**	At 31 March 2018 £
Property, plant and equipment	*7*	**680**	**847**	-
Total non-current assets		**680**	**847**	-
Cash and cash equivalents		**54,647**	**481,153**	2,007,844
Trade and other receivables	*8*	**33,167**	**100,581**	34
Related party receivable	*11*	**413,219**		
Total current assets		**501,033**	**581,734**	2,007,878
Total assets		**501,713**	**582,581**	2,007,878
Equity				
Share premium	*6*	**68,803,220**	**68,403,220**	66,368,028
Share options reserves	*10*	**59,085**	**38,744**	-
Warrants reserve	*10*	**74,662**	**24,281**	-
Retained deficit		**(69,096,256)**	**(68,210,828)**	(64,451,209)
Shareholders' equity		**(159,289)**	**255,417**	1,916,819
Current Liabilities				
Trade and other payables	*9*	**659,065**	**327,164**	91,059
Related party payable	*11*	**1,937**		
Total liabilities		**661,002**	**327,164**	91,059
Total equity and liabilities		**501,713**	**582,581**	2,007,878

The notes on pages 10 to 19 form an integral part of these financial statements

OKYO Pharma Limited

Consolidated statement of changes in equity

for the six months ending 30 September 2019 and 30 September 2018

(unaudited)	Notes	Share premium £	Share options reserve £	Warrants reserve £	Foreign currency translation reserves £	Retained deficit £	Total shareholders' equity £
Balance at 1 April 2019		**68,403,220**	**38,744**	**24,281**	**-**	**(64,451,209)**	**1,916,819**
Total comprehensive loss for the period							
Loss for the period		-	-	-	-	(885,428)	(885,428)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Shares issued		400,000	-	-	-	-	400,000
Options charge	*13*	-	20,340	-	-	-	20,340
Warrants charge		-	-	50,381	-	-	50,381
Balance at 30 September 2019		**68,803,220**	**59,085**	**74,662**	**-**	**(69,096,256)**	**(159,289)**
Balance at 1 April 2018		**66,368,028**	**-**	**-**	**-**	**(64,451,209)**	**1,916,819**
Total comprehensive loss for the period							
Loss for the period		-	-	-	-	(1,192,780)	(1,192,780)
Other comprehensive income for the period		-	-	-	-	(465)	(465)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options and warrants reserve charge	*13*	-	368,682	-	-	-	368,682
Balance at 30 September 2018		**66,368,028**	**368,682**	**-**	**-**	**(65,644,454)**	**1,092,256**

OKYO Pharma Limited

Consolidated statement of changes in equity

for the year ended 31 March 2019

	Notes	Share premium £	Share options reserve £	Share warrants reserve £	Retained deficit £	Total shareholders' equity £
Balance at 1 April 2018		**66,368,028**	**-**	**-**	**(64,451,209)**	**1,916,819**
Total comprehensive loss for the period						
Loss for the period		-	-	-	(3,606,895)	(3,606,895)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Shares issued		2,035,192	-	-	-	2,035,192
Options and warrants charge	*13*	-	38,744	24,281	-	63,025
Balance at 31 March 2019		**68,403,220**	**38,744**	**24,281**	**(64,058,104)**	**408,141**

OKYO Pharma Limited

Consolidated statement of cash flows

for the six months ended 30 September 2019

	Notes	Year ended 30 September 2019 (unaudited) £	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Cash flows from operating activities				
Loss for the year		**(885,428)**	**(3,759,619)**	(20,169,022)
Adjusted for non-cash and non-operating items:				
Shares issued in lieu of fees	*8*	**-**	**2,035,192**	175,673
Share options lapsed		**-**	**-**	(68,931)
Share options cancelled		**-**	**-**	71,954
Share options charge	*13*	**20,340**	**38,744**	-
Warrants charge	*13*	**50,381**	**24,281**	-
Depreciation	*9*	**167**	**167**	-
Realised foreign exchange				(123,011)
Disposal of subsidiary		**-**	**-**	18,949,877
		(814,540)	**(1,661,235)**	(1,163,460)
Change in trade and other receivables	*10*	**(345,804)**	**(100,547)**	141,819
Change in trade and other payables	*11*	**333,838**	**236,105**	(116,335)
Cash used in operating activities		**(826,506)**	**(1,525,677)**	(1,137,976)
Cash flows from investing activities				
Proceeds from issuance of ordinary shares		400,000	**-**	-
Cash generated by financing activities		**400,000**	**-**	-
Cash flows from investing activities				
Acquisition of property, plant and equipment		**-**	**(1,014)**	-
Cash used in investing activities		**-**	**(1,014)**	-
Decrease in cash and cash equivalents		**(426,506)**	**(1,526,691)**	(1,137,976)
Cash and cash equivalents at beginning of period		**481,153**	**2,007,844**	3,145,820
Cash and cash equivalents at end of period		**54,647**	**481,153**	2,007,844

OKYO Pharma Limited

Notes to financial statements

for the six months ended 30 September 2019

1. Reporting Entity

OKYO Pharma Limited (the "Company" or "OKYO") is a company domiciled in Guernsey and listed on the standard market of the London Stock Exchange. The principal activities of the Company and its subsidiaries (the Group) are to develop first in class drug candidates that prevent the disease instead of controlling it, and we achieve this through our collaboration with pioneer scientists in the field.

The Company wishes to develop next-generation therapeutics to improve the lives of patients with inflammatory eye diseases and chronic pain. Our goal is to develop first in class drug candidates that prevent the disease instead of controlling it, and we achieve this through our collaboration with pioneer scientists in the field.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

Basis of preparation

These interim consolidated financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies (Guernsey) Law 2008 as applicable to companies reporting under IFRS. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 December 2018 Annual Report and Financial Statements. The financial information has not been prepared (and is not required to be prepared) in accordance with IAS 34 Interim Financial Reporting. The annual consolidated financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The comparative financial information for the year ended 31 December 2018 included within this report does not constitute the full statutory Annual Report for that period.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2018 annual financial statements, as set out in Note 2 of that document, except for the adoption of IFRS 16.

Basis of measurement

Functional and Presentation Currency
The financial statements of the Company are presented in Pounds Sterling (£) which is the Company's functional currency. All financial information presented in Pounds Sterling has been rounded to the nearest pound.

Estimates
The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these financial statements, the significant judgements made by management in applying the Company's accounting policies and the key accounting estimates are accruals and the non-recognition of a deferred tax asset. The deferred tax asset has not been recognised as the directors do not expect profits to be made for the foreseeable future.

Basis of consolidation

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies of the subsidiary and therefore exercises control. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains control and are de-consolidated from the date at which control ceases.

New and Revised Standards

Standards in effect in *New and Revised Standards*

Standards in effect in 2019

IFRS 16 'Leases' has come into effect from January 1, 2019 and has been adopted by the Group. The impact of the adoption of the leasing standard is disclosed in Note 4 below.

IFRS in issue but not applied in the current financial statements

The Directors do not expect that the adoption of new IFRS Standards, Interpretations and Amendments that have been issued but are not yet effective will have a material impact on the financial statements of the Group in future periods.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing these financial statements**.**

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. The Board allocates resources to and assess the performance of the segments. The Board considers there to be only one operating segment being the research and development of biotechnological and pharmaceutical products.

Taxation

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realized, or the deferred liability is settled. Deferred tax assets are recognized to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

Foreign currency translation

Foreign currency transactions are translated using the rate of exchange applicable at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the year end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

On consolidation, the assets and liabilities of foreign subsidiaries are translated into Pound Sterling at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign subsidiary, the component of other comprehensive income relating to that particular foreign subsidiary is recognised in profit or loss.

Research and development

All on-going research and development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory environment inherent in the development of the Group's products, the criteria for development costs to be recognised as an asset, as set out in IAS 38 'Intangible Assets', are not met until a product has been granted regulatory approval and it is probable that future economic benefit will flow to the Group. The Group currently has no qualifying expenditure.

Financial instruments

Financial assets

The Group classifies a financial instrument, or its component parts, as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

The Group evaluates the terms of the financial instrument to determine whether it contains an asset, a liability or an equity component. Such components shall be classified separately as financial assets, financial liabilities or equity instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets, initial recognition and measurement and subsequent measurement

All financial assets not recorded at fair value through profit or loss, such as receivables and deposits, are recognised initially at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

The measurement of financial assets depends on their classification. Financial assets such as receivables and deposits are subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group does not hold any financial assets at fair value through profit or loss or fair value through other comprehensive income.

(b) Financial liabilities, initial recognition and measurement and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's financial liabilities include trade and other payables.

Warrants

Warrants issued by the Group to investors as part of a share subscription are compound financial instruments where the warrant meets the definition of a financial liability.

The financial liability component is initially measured at fair value in the Consolidated Statement of Financial Position. Equity is measured at the residual between the subscription price for the entire instrument and the liability component. The financial liability component is remeasured depending on its classification. Equity is not remeasured.

Investments

Investments are held as non-current assets and comprise investments in subsidiary undertakings and are stated at cost less provision for any impairment.

Other current assets

Other current assets are currently measured at cost less accumulated impairment. The asset is not yet being amortised since it is not yet in the condition necessary for it to be capable of operating in the manner intended by management.

Share capital

Ordinary shares of the Company are classified as equity.

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current period and the comparative period are as follows.

Fixtures and fittings **5 years**

IT and equipment **3 years**

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation is allocated to the operating expenses line of the income statement.

Impairment

Impairment of financial assets measured at amortised cost
At each reporting date the Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.

In establishing the appropriate amount of loss allowance to be recognised, the Group applies either the general approach or the simplified approach, depending on the nature of the underlying group of financial assets.

General approach
The general approach is applied to the impairment assessment of refundable lease deposits and other refundable lease contributions, restricted cash and cash and cash equivalents.

Under the general approach the Group recognises a loss allowance for a financial asset at an amount equal to the 12-month expected credit losses, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses.

Simplified approach
The simplified approach is applied to the impairment assessment of trade receivables.

Under the simplified approach the Group always recognises a loss allowance for a financial asset at an amount equal to the lifetime expected credit losses.

i) Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

ii) Non-financial assets are impaired when its carrying amount exceed its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

Leases

IFRS 16 Leases was issued in January 2016 and was implemented by the Group from 1 January 2019. The Standard replaces IAS 17 and requires lease liabilities and ‘right of use’ assets to be recognised on the balance sheet for almost all leases. The adoption methodology of IFRS 16 is the cumulative catch-up method, and there was no impact of adoption on 1 January, 2019.

Share based payments

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

Where employees, directors or advisers are rewarded using share based payments, the fair value of the employees', directors' or advisers' services are determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the date of grant and excludes the impact of any nonmarket vesting conditions (for example, profitability and sales growth targets). Warrants issued in association with the issue of Convertible Loan Notes are also considered as share based payments and a share based payment charge is calculated for these too.

In accordance with IFRS 2, a charge is made to the statement of comprehensive income for all share-based payments including share options based upon the fair value of the instrument used. A corresponding credit is made to a share based payment reserve - options, in the case of options/warrants awarded to employees, directors, advisers and other consultants.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non market vesting conditions are included in assumptions about the number of options / warrants that are expected to become exercisable.

Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options/warrants, the proceeds received are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

All goods and services received in exchange for the grant of any share based payment are measured at their fair value.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial information in accordance with generally accepted accounting practice, in the case of the Group being International Financial Reporting Standards ('IFRS') as adopted by the European Union, requires the directors to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events.

When entering into agreements with third parties which provide the rights to conduct research into specific biological processes the group account for these agreements as an expense if the agreements are 'milestone' in nature and relate to the Group's own research and development costs. Such agreements involve periodic payments and are evaluated as representing payments made to fund research.

The only other critical accounting estimates and judgements in the preparation of the financial statements were fair value estimates used in the calculation of share based payments and warrants which have been detailed above in note 2, accounting policies, and note 8, share based payments, to the accounts.

4. CHANGES IN ACCOUTING POLICIES

The group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.35%.

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short term leases and leases of low value. For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities, e.g. revised discount rate, change in the lease term or change in future lease payments resulting from a change in an index.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate determined by the Group's borrowing rate.

	2019 £
Operating lease commitments disclosed under IAS17 as at 31 December 2018	1,183
Less low value and short term leases recognised in a straight-line basis as an expense	(1,183)
Remaining lease commitments discounted using the Group's incremental borrowing rate as at the date of initial application Lease Liability recognised ad at 1 January 2019	- -
Of which:	
Current lease liabilities	-
Non-current lease liabilities	-

5. OPERATING LOSS

Operating loss is stated after charging:

Group and Company	**Period ended 30 September 2019 (unaudited)**	Period ended 30 September 2018 (unaudited)
	£	£
Auditors' Fees	**-**	-
Directors' Fees	**23,081**	40,500

6. CAPITAL AND RESERVES

Capital Management

The Company manages its capital to maximise the return to the shareholders through the optimisation of equity. The capital structure of the Company at 30 September 2019 consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained deficit as disclosed.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and release the Company's share premium account.

Share capital and premium

The Company is authorised to issue an unlimited number of nil par value shares of a single class. The Company may issue fractional shares and a fractional share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares. Shares may be issued in one or more series of shares as the Directors may by resolution determine from time to time.

Each share in the Company confers upon the shareholder:

- the right to one vote at a meeting of the shareholders or on any resolution of shareholders;
- the right to an equal share in any dividend paid by the Company; and
- the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

The Company may by resolution of the Directors redeem, purchase or otherwise acquire all or any of the shares in the Company subject to regulations set out in the Company's Articles of Incorporation.

Authorised
The Company is authorised to issue an unlimited number of nil par value shares of a single class.

Issued ordinary shares of US$0.00 each	Shares Number	Share capital £	Share premium £
At 31 March 2019 (audited)	524,108,283	-	68,403,220
Shares issued	36,363,636	**-**	400,000
At 31 September 2019 (unaudited)	560,471,918	-	68,803,220

Issuance of ordinary shares in the period

On 20 May 2019, October 2018, 36,363,636 ordinary shares were issued at a price of 1.1p per ordinary share tor aise gross proceeds of £400,000.

Share options reserve
These reserves comprise the fair value of options in issue as at 30 September 2019.

Warrants reserve
These reserves comprise the fair value of warrants in issue as at 30 September 2019.

7. PROPERTY, PLANT AND EQUIPMENT

Details of the Groups property, plant and equipment are as follows:

Group	IT equipment	Total
	£	£
Cost		
At 1 April 2019	-	-
Additions	1,014	1,014
Disposals	-	-
At 30 September 2019	1,014	1,014
Depreciation		
At 1 April 2019	167	167
Charge in year	167	167
At 30 September 2019	334	334
Net book value as at 30 September 2019	680	680
Net book value as at 31 March 2019	847	847

8. TRADE AND OTHER RECEIVABLES

Group	(unaudited) 30 September 2019 £	(unaudited) 30 September 2018 £	31 March 2019 £
Other receivables		-	4,223
VAT receivable	8,389	11,368	81,241
Prepayments	24,777	4,419	15,117
	33,167	**15,787**	**100,581**

9. TRADE AND OTHER PAYABLES

Group	(unaudited) 30 September 2019 £	(unaudited) 30 September 2018 £	31 March 2019 £
Trade payables	633,625	89,909	292,694
Accruals	25,440	77,201	14,280
Related party payable	1,937	-	5,473
Other creditors	-	-	14,717
	661,002	**15,787**	**327,164**

10. SHARE OPTIONS AND WARRANTS

Options

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. It also issues options in lieu of fees to key suppliers and collaborators. The exercise price of the option is normally equal to the market price of an ordinary share in the Company at the date of grant.

	30 September 2019 (unaudited)		31 March 2019	
	Options	Weighted Average exercise price (pence)	Options	Weighted Average exercise price (pence)
Outstanding at 1 April	23,000,000	4.5	-	-
Granted	-	4.5	23,000,000	4.5
Forfeited	-	-	-	-
Cancelled	-	-	-	-
Outstanding at period end	23,000,000	4.5	23,000,000	4.5
Exercisable at period end	-	-	-	-

No options were exercised during the six months ending 30 September 2019 and year ending 31 March 2019.

The total outstanding fair value charge of the share option instruments is deemed to be approximately £41,910 (March 2019: £62,250). A share based payment charge for the year of £20,340 has been expensed in the statement of comprehensive income.

The Directors have used the Black-Scholes option pricing model to estimate the fair value of most of the options applying the assumptions below.

Historical volatility relies in part on the historical volatility of a group of peer companies that management believes is generally comparable to the Company.

The Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future.

The Company has estimated a forfeiture rate of zero.

Warrants

As part of the acquisition of the Chemerin project, the underlying scientific founders of the Chemerin Project, who will continue to be involved in the development of the Chemerin Project, received 35,000,000 warrants as consideration. The warrants are exercisable at a price of 4.5 pence each and are split into four distinct tranches and each tranche becomes exercisable upon satisfaction of a specific developmental milestone. The warrants are exercisable until 17 July 2023.

On 20th May 2019, subscription warrants were issued to Panetta Partners Ltd. The 36,363.636 warrants were attached to the subscription shares on a one for one basis at an exercise price of 1.35p each. The warrants were exercisable at any time and for a period of 5 years from date of issue.

	20 May 2019	6 July 2018
Grant date share price	2.0p	1.5p
Exercise share price	1.35p	4.5p
Vesting periods	Fully vested	25% each year
Risk free rate	0.71%	0.71%
Expected volatility	65.5%	65.5%
Option life	5 years	5 years

The Directors have estimated the fair value of the warrants in services provided using the Black-Scholes valuation model based on the assumptions above. The remaining fair value of the warrant instruments is deemed to be approximately £538,760 (2018: £150,918). For each tranche of warrants, the charge has been expensed over the vesting period. A share based payment charge for six months of £50,381 has been expensed in the statement of comprehensive income.

11. RELATED PARTY TRANSACTIONS

All related party transactions occurred on an arm's length basis and in the normal course of operations.

West African Minerals Limited ("WAML")

WAML is a related party of the Company as it shares a common director, Willy Simon. In the prior year, the Group had agreed to a deed of release with WAML whereby it agreed to write off $17,056,070 of loans in exchange for shares in WAML to be distributed as part of the in specie distribution. A remaining amount of $4,000,000 is still outstanding from WAML, however, after careful consideration of the operations of WAML and its subsidiaries, the Company decided to impair this receivable down to £0 as it does not expect to recover any of this outstanding debt.

Tiziana Life Sciences PLC

Tiziana Life Sciences PLC is a related party as it shares common directors and officers. The Company share premises and other resources with Tiziana Life Sciences PLC and there is a shared services agreement in place between Company and Tiziana Life Sciences PLC. As at 30th September 2019, £1,937 was due to Tiziana Life Sciences PLC in respect of this agreement.

On 28th June 2019, OKYO entered into a fixed term unsecured loan agreement with Tiziana Life Sciences PLC. In order to maximise the return on uncommitted cash in the short term, OKYO extended a short term loan facility to Tiziana Life Sciences PLC for £400,000 at an interest rate of 10% per annum for a period of one year. As at 30th September 2019, £413,219 was due from Tiziana Life Sciences PLC in respect of this agreement.

Panetta Partners Limited

Panetta Partners Limited is a related party as it is a shareholder of the Company. The Company has entered into a Deed of Assignment with Panetta Partners whereby the Company has the licence and sub-licence of certain research and development assets in relation to the Chemerin product, assigned to it.

12. **BASIC AND DILUTED LOSS PER SHARE**

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	6 months to 30 September 2019 (unaudited)	12 months to 31 March 2019
(Loss) attributable to equity holders of the Group (£)	**(885,428)**	**(3,759,619)**
Weighted average number of ordinary shares in issue	**555,390,972**	**513,900,867**
Basic loss per share (pence per share)	**(0.01)**	**(0.01)**

As the Group is reporting a loss from continuing operations for the year then, in accordance with IAS 33, the share options are not considered dilutive because the exercise of the share options would have an anti-dilutive effect. The basic and diluted earnings per share as presented on the face of the Income Statement are therefore identical. All earnings per share figures presented above arise from continuing and total operations and therefore no earnings per share for discontinued operations are presented.

13. COMMITMENTS AND CONTINGENCIES

The Group's main financial commitments relate to the contractual payments in respect of its licensing agreements. Due to the uncertain nature of scientific research and development and the length of time required to reach commercialisation of the products of this research and development, pre-clinical, clinical and commercial milestone obligations are not detailed until there is a reasonable certainty that the obligation will become payable. Contractual commitments are detailed where amounts are known and certain.

The Group are committed to paying an annual license maintenance fee for BAM-8 until the first commercial sale.