



Biofutures





Biofutures

Biofutures is an Investing Company. Our strategy is to invest in or acquire projects in the energy and utility sectors and their related infrastructures.

Our first project is to build a palm oil refinery plant in Sabah, Malaysia.

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Chairman's Statement

We believe that our prospects for growth are strong.

The Company is now fully engaged in the building of a palm oil refinery project which should be operational in the second half of 2010 and is expected to produce good returns for shareholders.

2008 was a year of change for the Group. Initially Biofutures, through our subsidiary Zurex Corporation Sdn. Bhd. ('Zurex'), had planned to design and construct a 200,000 metric tonnes per annum biodiesel plant at Lahad Datu, Sabah, Malaysia. Following the significant rise in palm oil prices, it was not possible to raise the necessary debt finance. Even if acceptable debt financing had been found, the biodiesel plant would have been uneconomic due to the negative margins of biodiesel relative to the price of crude palm oil. We announced in September 2007 that contracts with suppliers had been put on hold and that negotiations were taking place with a view to re-engineering the proposed biodiesel plant. We also reviewed and reduced our overhead costs to preserve cash and maximise shareholder value.

In May 2008, we terminated our existing contract between Zurex and POIC Sabah Sdn. Bhd. ('POIC') whereby Zurex had agreed to acquire a 50 acre plot of land at Lahad Datu and in its place agreed to acquire a 14 acre plot of land on the same site. This plot will allow the construction of a 200,000 metric tonne palm oil refining plant and also the necessary additional modules to convert the plant to a biodiesel plant if it becomes economically viable to do so in the future.

Our existing licence only allowed us to produce and sell biodiesel and so an additional licence was required that would enable us to produce and sell refined palm oil. This licence was granted on 31 October 2008. After carrying out the necessary due diligence we announced in November 2008 that we would commence building a palm oil refinery plant on our land at Lahad Datu, Sabah, Malaysia.

The initial key requirement for the project was to appoint a turnkey contractor to build and commission the plant and accordingly a tender process commenced in November 2008. In February 2009, we announced that we had entered into a contract with WS Bioengineering Pte Ltd ('WS Bio') for the construction and commissioning of the palm oil refinery plant. The plant is due for completion by 30 June 2010.

Group strategy

At the EGM in June 2008, shareholders approved the Company becoming an 'Investing Company' under the AIM Rules for Companies. This change modified the Group's strategy, allowing it to look at re-engineering the biodiesel plant project into a palm oil refinery, whilst also retaining the flexibility to expand the refinery into a biodiesel plant at some stage in the future if it becomes economically viable to do so. In addition, the Group's strategy was extended to allow investment in or acquisition of projects, assets, partnerships, joint ventures, businesses or companies (public or private) in Europe, Asia and the Middle East in the energy and utility sectors and their related infrastructures.

In February 2009, the London Stock Exchange confirmed that entering into the turnkey contract with WS Bio represented implementation of the Company's investment strategy as approved by shareholders on 6 June 2008.

Board and key staff changes

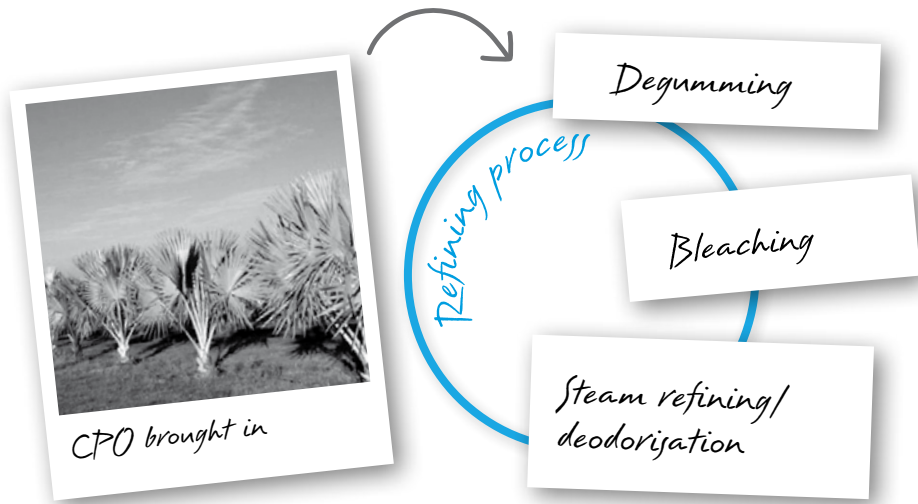
During the year we welcomed to the Board David Long as a Non Executive Director with effect from 5 February 2008. He brings with him a wealth of business and accounting process experience. Henry Yong was appointed as a director to the Board of Zurex in March 2008. Henry is a chemical engineering graduate and has substantial experience in the palm phytochemicals industry in Malaysia.

Outlook

We believe that our prospects for growth are strong. The Company is now fully engaged in the building of a palm oil refinery project which should be operational in the second half of 2010 and is expected to produce good returns for shareholders. The broader investment strategy adopted at the EGM in June 2008 provides the Company with the flexibility to utilise resources for the benefit of shareholders going forward and enables the Company to seek other investments in the future with the objective of increasing shareholder value.

David Yeoh
Executive Chairman

Palm Oil Production and Uses



- **Degumming:** To condition gums (phosphatides) and oxidative trace metals (such as copper and iron) with food grade phosphoric acid, citric acid, EDTA etc, for later removal with the spent earth after the bleaching stage;
- **Bleaching:** To remove pigments, oxidation products, residual trace metals and phosphatides, and soaps;
- **Steam refining/deodorisation:** To remove fatty acids, pigments (e.g. carotenoids).

Palm oil production and uses

Palm oil comes from the flesh of the oil palm species *Elaeis Guineensis*. In addition palm kernel oil can be produced from the seed or kernel. The unprocessed oil or crude palm oil ('CPO') is a deep orange red colour due to the high content of natural carotenes.

The CPO is produced at the first processing stage, usually in mills. As around 90 per cent of the palm oil goes into food applications, it is necessary to further process the CPO. Zurex will be producing refined, bleached and deodorized palm oil usually referred to as RBD palm oil.

Malaysia is a major producer of palm oil.

Refining processes

In order to increase the oxidative stability and improve the nutritional properties of crude palm oil, it is necessary to treat the oil by a series of processes that are collectively known as refining. The first stage of the processing is primarily to remove the gums and pro-oxidative trace metals and is called the degumming stage. Historically, the next stage of the process involved neutralization of the free fatty acids by caustic soda, to remove them in the form of soaps. This process was known as Caustic Refining (and represents the R in 'RBD'). The next stage utilized bleaching earth to remove pigments, oxidation products, soaps and traces of gums and heavy metals. This is called the Bleaching stage, and is represented by the B in 'RBD'. The final stage was a high-temperature vacuum deodorisation mainly to remove residual pigments and oxidation products, which would otherwise adversely

affect the flavour, odour and rate at which the oil would turn rancid. The Deodorisation stage represents the D in 'RBD'. The fully refined oil was then termed Refined, Bleached and Deodorized Oil or, more commonly, RBD palm oil.

In the past three decades the chemical refining process scheme has gradually been superseded by the more cost-effective and more environmentally-friendly Physical refining processing scheme. In physical refining the process of caustic refining is eliminated, and the vacuum deodorisation has been replaced by a higher temperature Steam stripping and deodorisation process that enables the free fatty acids and other impurities to be removed without the use of caustic soda. The term physical refining indicates that chemicals have not be used to remove the fatty acids. Although caustic soda is no longer utilized in physical refining, the term RBD is still in use to describe the fully-refined palm oil.

Fully-refined palm oil (RBD) is an off-white solid in cold climates, a yellowish semi-solid at room temperature, and a yellowish liquid when heated to about 45°C. Fully-refined palm oil (RBD) may be fractionated into its liquid component, which is called palm olein, and its solid component, which is called palm stearin.

Uses

Fully-refined palm oil (RBD) and its fractions have many uses. Because of its good stability as compared with soft oils such as soya and canola, RBD palm oil is the preferred oil for many industrial frying operations.

Palm olein is a very popular domestic liquid oil for frying applications, and is often blended with other oils such as Canola to improve their stability/shelf life and to minimize smoke formation during high-temperature frying applications.

Palm stearin is utilized for high temperature industrial frying applications such as in the production of instant noodles. Palm stearin is free of trans-fatty acids, and is used as a replacement for hydrogenated oils such as soyabean and canola, to produce more nutritionally acceptable margarines. Palm stearin is also used in the manufacture of non-dairy creamers and ice creams. Palm stearin may also be utilized in non-edible applications such as in the manufacture of soaps and candles.

RBD market

RBD palm oil is the largest internationally traded oil, and as a commodity is traded in both the physical and futures markets. Bursa Malaysian Derivatives (BMD) is the largest futures market for CPO, followed by the Chicago Board of Trade and the Joint Asian Derivatives Exchange of Singapore.

Currently, China, India, the EU and Pakistan are the major buyers of RBD palm oil from Malaysia.

Business Review

Our site in Lahad Datu is located in Sabah, which produces 30 per cent of Malaysia's palm oil. POIC is developing Lahad Datu as part of a federal and local government initiative with the aim of establishing it and surrounding infrastructure, which includes a deep water port, as a principal palm oil industrial cluster within the ASEAN region.

Zurex project

Zurex was acquired in November 2006 to construct a 200,000 metric tonnes per annum biodiesel plant at Lahad Datu, Sabah, Malaysia. The rise in palm oil prices has meant that bank financing could not be obtained on acceptable terms. Even if acceptable debt financing had been found, the biodiesel plant could not have commenced operations due to the negative margins of biodiesel relative to the price of crude palm oil. In September 2007 the project was put on hold.

Since this time, management has been working to terminate or vary its various agreements and contractual obligations at minimum cost to the Company as well as taking action to reduce the cost base of the Company. During this time management has also been reviewing the options to re-engineer the proposed biodiesel plant.

In May 2008, we announced that we had terminated our contract to purchase the 50 acres of land at Lahad Datu, Sabah, Malaysia and agreed, in its place, to purchase 14 acres of land at the same location at a cost of RM7.3 million (approximately £1.4 million¹), which had already been paid as a deposit on the 50 acres. This agreement leaves us with sufficient acreage to build a refining plant (and to add the additional modules to convert it to a 200,000 metric tonnes biodiesel plant should economics allow in the future) and has saved us RM18.3 million (approximately £3.5 million¹) which would otherwise have been spent on acquiring the 50 acre plot of land. The majority of the other contracts have been successfully terminated or varied, with the JJ Lurgi

Engineering (M) Sdn. Bhd. ('JJ Lurgi') contract the only major contract still to be resolved.

Management has also been actively pursuing discussions with JJ Lurgi, who were to manufacture the components for the biodiesel plant, regarding termination of the contract. The negotiations are ongoing with the view of taking delivery of the majority of the equipment which has been paid for to date (see note 18 to the financial statements for further details).

Our site in Lahad Datu is located in Sabah, which produces 30 per cent of Malaysia's palm oil. POIC is developing Lahad Datu as part of a federal and local government initiative with the aim of establishing it and surrounding infrastructure, which includes a deep water port, as a principal palm oil industrial cluster within the ASEAN region.

Our manufacturing licence which was granted in July 2006 was for the manufacture of palm oil biodiesel and refined glycerine. Accordingly, to manufacture and sell refined palm oil an additional licence was required. Such a licence is difficult to obtain, but after much effort an additional licence was granted by the Ministry of International Trade and Industry on 31 October 2008. This licence covers the production of refined, bleached, deodorized palm oil and palm fatty-acid distillate.

The granting of the licence enabled us to complete our due diligence and we announced in November 2008 that we would proceed to build a palm oil refinery plant. The design will allow for the possible addition of a transesterification module and associated

ancillary equipment to enable the production of palm oil biodiesel should this become economically viable in the future.

The first major milestone of this project was to appoint our main turnkey contractor to construct and commission the palm oil refinery plant. A detailed tender process was undertaken and we announced in February 2009 that we had entered into a contract with WS Bioengineering Pte Ltd ('WS Bio') for the construction and commissioning of the palm oil refinery at a cost of RM30.2 million (approximately £5.8 million¹). This plant is due for completion by 30 June 2010. A 30 per cent deposit of RM9 million (approximately £1.7 million¹) was paid in March 2009.

The total cost to build the refinery plant, including the contract with WS Bio, is expected to be between RM36 million and RM40 million (approximately £6.9 million¹ to £7.7 million¹). This is in addition to the costs that had been incurred prior to the cessation of the biodiesel project.

Negotiations are currently being held with banks in Asia to secure loan facilities to cover the building work and other associated costs, although the Company has sufficient cash resources to fund the majority of the expenditure. Working capital facilities will also be required.

¹ Using a rate of £1 = RM5.2

Financial Review

The Group has aimed to control costs and maximise cash while the Company reviewed its strategic options. Administrative expenses reduced to £0.71 million from £0.89 million in 2007. This was as a result of management action to reduce the cost base of the business.

Overview

The Group has aimed to control costs and maximise cash while the Company reviewed its strategic options as discussed in the Chairman's statement. The operating loss for the year for the Group was £0.71 million (2007: £3.29 million loss). The loss for the year was £0.29 million (2007: £2.88 million loss).

Administrative expenses

Administrative expenses reduced to £0.71 million from £0.89 million in 2007. This was as a result of management action to reduce the cost base of the business.

Impairment

The EGM on 6 June 2008 approved the Company becoming an Investing Company. As part of its new strategy, detailed consideration was to be given to potentially re-engineering the biodiesel plant. Accordingly, it has been necessary to review the carrying values of goodwill, intangibles and property, plant and equipment in the balance sheet. This was also done in 2007 and the impairment write down was £2.4 million. No further write down was required in 2008.

Cash resources

Available cash and cash equivalents at the year end were £7.81 million (2007: £8.33 million).

The key features in the cash flows were property, plant and capitalised project costs paid in the year totalling £0.13 million (2007: £2.36 million). In addition, interest of £0.43 million (2007: £0.48 million) was received.

Goodwill

Goodwill represents the fair value attributed to the knowledge of the Malaysian nationals required to hold the operational licence for the biodiesel plant in Malaysia, acquired with Zurex. Although the biodiesel plant will not be built at this point in time, an additional licence has been obtained which will permit refining and sale of palm oil. The Board has also announced that the palm oil refinery will be built and on this basis no impairment is currently considered necessary.

Intangibles

The intangible assets are included at their fair value and have been grouped together. They relate to the purchase of the Lahad Datu land, the licence to manufacture palm oil biodiesel and the linked refinery licence subsequently obtained. This group of assets could not be separated as they were considered to be all intrinsically linked. On the basis that the refinery plant will be built, no write-down is currently required.

Contingencies

In 2007 the Company included a capital commitment of £4.068 million¹ (RM26.9 million). The Company has now taken the view, supported by legal advice, that the contract terms between Zurex and JJ Lurgi have been mutually changed and that the balance of the contract cost will not be payable. The negotiations are ongoing with the view of taking delivery of the equipment which has been paid for to date. Accordingly, based on legal advice, no provision has been made for the balance of the contract costs and no asset recognized relating to any potential refund in respect of the contract costs paid on the basis that it is contingent. The outcome of negotiations could also potentially impact on the carrying value of assets in the course of construction. The original contract was for RM38.4 million of which RM11.5 million has been paid (£7.4 million² and £2.2 million² respectively). No contingent liabilities were recognised in the year to 31 December 2007.

International Financial Reporting Standards

The results for the Group for the year ending 31 December 2008 have been prepared under International Financial Reporting Standards (IFRS). The results for the Company are prepared under UK GAAP.

¹ Exchange rate £1 = RM6.6

² Exchange rate £1 = RM5.2

Board of Directors



David Yeoh,
Executive Chairman



Joe Wong,
Chief Executive Officer



Julie Pomeroy,
Finance Director



Patrick Howes,
Non Executive Director



David Long,
Non Executive Director

David Yeoh – Executive Chairman

David Yeoh holds a law degree and is an advocate and solicitor of the High Court of Malaya. He has experience in banking, corporate affairs and acquisitions, privatisation, restructuring and real estate. David used to act in an advisory capacity for a number of corporations. He has ceased practicing as a lawyer to concentrate on his responsibilities in the Group.

Joe Wong – Chief Executive Officer

Dr Joe Wong holds a degree in computer science and a doctorate in pharmacy and healthcare administration from the University of Louisiana. He is currently on the board of eAsset Management Sdn. Bhd., Ethical Plantations Sdn. Bhd., and a number of inactive private companies. Prior to this, he held a number of senior roles in the financial services sector and has published works in the area of healthcare and equity investment research.

Julie Pomeroy – Finance Director

Julie Pomeroy graduated with an honours degree in Physics from Birmingham University. She is a Chartered Accountant and in addition holds tax and treasury qualifications. Julie was Group Finance Director of Carter & Carter Group plc until October 2005, having joined in 2002 to help grow and float the business. She had previously been Chief Financial Officer of Weston Medical Group plc and prior to that, Julie worked at East Midlands Electricity plc as Director of Corporate Finance. Since leaving Carter & Carter she has been following a portfolio finance director career working with growing businesses. Julie is a Chartered Director and also a non executive director of Nottinghamshire Healthcare Trust.

Patrick Howes – Non Executive Director

Patrick Howes has a Ph.D. in Chemistry (1981) from Salford University and over 25 years' experience in energy related chemical industries. His particular skills are in the execution and management of projects from inception to completion. He is Chairman of the Remuneration Committee.

David Long – Non Executive Director

David Long has many years' experience in business operational management and business accounting processes within the paint and chemical industry. At Biofutures, he is Chairman of the Audit Committee. He became a Non Executive Director on 5 February 2008.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activity

Following the EGM in June 2008, the Company has become an Investing Company as defined in the AIM Rules for Companies, with a view to invest in or acquire projects or companies in the energy or utility sectors and their infrastructures. As part of this strategy the Group, through its wholly owned subsidiary Zurex, has commenced work on building a palm oil refinery plant. This could, with the addition of a transesterification module and associated ancillary equipment, be expanded to produce palm oil biodiesel should the production of such biodiesel become economically viable.

Review of business

The Company acquired Zurex in November 2006. Zurex was incorporated in Malaysia to establish a 200,000 metric tonnes per annum palm oil biodiesel plant at Lahad Datu, Sabah, Malaysia. Due to the rise in palm oil prices, we announced in September 2007 that contracts with suppliers had been put on hold and that negotiations were taking place with a view to re-engineering the proposed biodiesel plant. In November 2008 the Company announced it would build a palm oil refinery plant, having acquired necessary licences. The flexibility to consider the production of palm oil biodiesel in the future, should economic circumstances permit, is being built into the design of the refinery plant.

The key performance indicators (KPIs) for the Group in the immediate future are the delivery of the plant on time and to budget. In addition, non-financial KPIs will focus on build performance and development of operational capability.

For further information see the Business Review section on page 3.

Results and dividends

The reported loss for the period was £0.29 million (2007: £2.88 million loss) and represents administrative and salary costs together with a writedown of property, plant and equipment in 2007. Further details are set out on page 11.

No dividend has been paid or proposed for the year.

Safety and environment

It is the Group's policy to minimise risks to employees and other stakeholders associated with the Group's activities. The Executive Chairman is accountable to the Board for the performance of the Group's safety programme. The Group has had no major accidents since its formation.

Corporate responsibility

Biofutures seeks to ensure that best practices are followed in all our dealings with shareholders, customers and employees.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors and their interests

The Directors who served during the year ended 31 December 2008 together with their beneficial interests in the ordinary share capital of the Company at the beginning of the year, or at the date of appointment if later, and at 31 December 2008 are as follows:

		Number of ordinary shares held at 31 December 2007	Number of ordinary shares held at appointment	Number of ordinary shares held at 31 December 2008
David Yeoh	Executive Chairman	3,333,500	-	3,333,500
Joe Wong	Chief Executive Officer	13,334,000	-	13,334,000
Julie Pomeroy	Finance Director	200,000	-	200,000
Patrick Howes	Non Executive Director	-	-	-
David Long	Non Executive Director		Appointed 5 February 2008	-

Directors' Report

(continued)

On 5 January 2009 the following shares were acquired by the Directors

Director	Shares acquired
Julie Pomeroy	400,000
Patrick Howes	240,000
David Long	400,000

Details of share options are given in note 19 to the financial statements.

The Group maintains an insurance policy covering directors' and officers' liabilities and also effected a six year prospectus policy on its re-admission to AIM.

Corporate governance

As an AIM company, there is no requirement to comply with the revised Combined Code, issued by the Financial Reporting Council in June 2006, (the "Combined Code") and in view of the Company's size, stage of development and resources, it does not currently comply with all the provisions of the Combined Code. However, Biofutures recognises the importance of sound corporate governance and so applies the principles of the Combined Code appropriately for its stage of development:

The Board and its committees

- The Board currently comprises two Non Executive and three Executive Directors. The Board is headed by the Executive Chairman. The two Non Executive Directors are considered to be independent.
- The Board has adopted a formal policy on delegated powers of authority which includes matters specifically reserved for the Board.
- The Company has an Audit Committee and a Remuneration Committee. Patrick Howes (Non Executive Director) is the Chairman of the Remuneration Committee and David Long (Non Executive Director) is the Chairman of the Audit Committee.
- The Audit Committee receives and reviews reports from management and the Company's auditors relating to the annual financial statements and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Company's auditors.
- The Remuneration Committee reviews the scale and structure of the Executive Directors' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the Non Executive Directors are set by the Board. The Remuneration Committee also administers the Group's Long Term Incentive Scheme.

Directors' remuneration

- The Board is committed to following best practice for the disclosure of Directors' remuneration as is appropriate for a company of its size.
- The Group's policy is to provide executive remuneration packages designed to attract, motivate and retain executives of the calibre necessary to deliver the Group's strategic goals and to enhance shareholder value.
- Remuneration consists of basic salary and certain benefits of pension and insurance. In addition, the Executive Directors may be invited to participate in a long term incentive plan with challenging objectives based on corporate and project performance.

The Company has adopted a model code for dealings in shares by directors and senior employees which is appropriate for an AIM company. The Directors will comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings.

Internal control

Key elements of the control framework are:

- Framework of delegated authorities, including matters reserved to the Board.
- Regular Board meetings to review progress and strategy.

Directors' Report

(continued)

Substantial interests

As at 30 April 2009, the Company had been notified of the following interests amounting to 3% or more of the ordinary share capital of the Company.

	Number	Percentage
Stoutman Holdings Limited	22,068,380	14.6%
Joe Wong	13,334,000	8.8%
Religare Hichens, Harrison plc	11,712,177	7.8%
Gartmore Investment Limited	10,975,000	7.3%
Q Capital LLP	10,000,000	6.6%
Executors of PJ Carter	6,659,900	4.4%
Loh Peng Chai	5,226,928	3.5%
Ong Chang Yong	5,226,928	3.5%

Principal risks and uncertainties

Biofutures faces risks and uncertainties that are common to other companies that are developing a project.

Development

The Group is developing a refinery plant project which carries inherent risks. These include the construction of the project on time and to budget as well as feed stock and off-take prices continuing at levels that make the project economically viable.

Financial

The Group will need to raise additional financing to complete the building of the refinery and until this is in place there is a risk to the Group's ability to complete the project. Foreign exchange movements also impact on the cash requirements. Working capital finance will be required once the refinery plant becomes operational and this will depend on market conditions at that time.

Key personnel

The Group is reliant on being able to attract and retain people with the appropriate skills.

Policy on financial instruments

The Group's financial instruments comprise cash, short-term debtors and creditors arising from its operations. The Group has not established a formal policy on the use of financial instruments but assesses the risks faced by the Group as economic conditions and the Group's operations develop. Available and uncommitted surplus cash is invested on the money market for periods of up to three months. Further information on financial risk management and related policies are contained in note 20 to these financial statements.

Supplier payment policy

It is the Group's policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay in accordance with those terms based upon the timely receipt of an accurate invoice. The trade creditor days of the Group for the year ended 31 December 2008 were 52 days (2007: 47 days) calculated in accordance with the requirements set down in the Companies Act 1985.

Political and charitable donations

During the year the Group has made no political donations (2007: nil) and charitable donations totalled £1,319 (2007: nil).

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting.

Directors' Report

(continued)

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with International Financial Reporting Standards for the Group and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for the Company. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable International or UK Accounting Standards have been followed as appropriate, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Section 226 of the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- There is no relevant audit information of which the Company's auditors are unaware.
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the Company's website in accordance with Rule 26 of the AIM Rules for Companies and accordingly the auditors accept no responsibility for the information published thereon.

Information published on the Company's website is accessible in many countries and legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed by order of the Board.

Julie Pomeroy
Company Secretary

11 May 2009

Report of the Independent Auditor

to the Members of Biofutures International plc

We have audited the Group and parent company financial statements (the 'financial statements') of Biofutures International plc for the year ended 31 December 2008 which comprise the Group income statement, the Group and parent company balance sheets, the Group cash flow statement, the Group statement of changes in members' equity, the principal accounting policies and notes 1 to 23 and the parent company notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Review of Business section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Chairman's Statement, the Business Review, the Financial Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended.
- The Group and Company financial statements have been properly prepared in accordance with the Companies Act 1985.
- The parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2008.
- The information given in the Directors' Report is consistent with the financial statements.
- The parent company financial statements have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LP
Registered Auditor

Chartered Accountants
Leeds

11 May 2009

Consolidated Income Statement

For the year ended 31 December 2008

	Note	2008 £000	2007 £000
Administrative expenses		(713)	(891)
Impairment	9	-	(2,400)
Operating loss	4	(713)	(3,291)
Interest expense		-	(76)
Interest income		428	484
Loss before income tax		(285)	(2,883)
Income tax expense	7	-	-
Loss for the year		(285)	(2,883)
Loss per share for loss attributable to the equity holders of the Company during the year (expressed in pence)			
- basic and diluted	8	(0.19)p	(1.94)p

All of the Group's trading activities relate to continuing operations.

The accompanying notes and accounting policies form an integral part of these financial statements.

Consolidated Balance Sheet

At 31 December 2008

	Note	2008 £000	2007 Restated £000
ASSETS			
Non current assets			
Property, plant and equipment	9	2,649	1,938
Goodwill	10	7,584	5,753
Intangible assets	10	21,539	16,340
		31,772	24,031
Current assets			
Trade and other receivables	12	101	68
Cash and cash equivalents	13	7,812	8,329
		7,913	8,397
Total assets		39,685	32,428
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	1,510	1,510
Share premium account	15	11,293	11,293
Merger reserve	15	16,001	16,001
Translation reserve	15	7,140	954
Share based scheme reserve	15	1,059	1,033
Retained earnings		(3,591)	(3,306)
Total equity		33,412	27,485
LIABILITIES			
Current liabilities			
Trade and other payables	16	673	695
Non current liabilities			
Deferred tax	11	5,600	4,248
Total equity and liabilities		39,685	32,428

The financial statements were approved by the Board of Directors on 11 May 2009.

David Yeoh

Julie Pomeroy

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Share capital £000	Share premium account £000	Merger reserve £000	Exchange differences on translation foreign of operations £000	Share based scheme reserve £000	Retained earnings £000	Total equity £000
At 1 January 2007	1,477	11,293	16,001	(2)	1,089	(423)	29,435
Loss for the year	-	-	-	-	-	(2,883)	(2,883)
Issue of shares	33	-	-	-	-	-	33
Cancellation of options	-	-	-	-	(56)	-	(56)
Translation reserve	-	-	-	956	-	-	956
At 31 December 2007	1,510	11,293	16,001	954	1,033	(3,306)	27,485
Loss for the year	-	-	-	-	-	(285)	(285)
Issue of options and warrants	-	-	-	-	26	-	26
Translation reserve	-	-	-	6,186	-	-	6,186
At 31 December 2008	1,510	11,293	16,001	7,140	1,059	(3,591)	33,412

All reserves are attributable to the equity holders of the parent company.

Consolidated Cash Flow Statement

	Note	2008 £000	2007 £000
Cash flows from operating activities			
Cash used in operations	17	(834)	(891)
Net cash used in operating activities		(834)	(891)
Cash flows from investing activities			
Costs relating to acquisition of subsidiary		-	(275)
Purchases of property, plant and equipment		(125)	(2,359)
Interest received		428	484
Net cash used in investing activities		303	(2,150)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,474
Net cash generated from financing activities		-	2,474
Net decrease in cash and cash equivalents		(531)	(567)
Cash at beginning of year		8,329	8,813
Effect of exchange rate changes		14	83
Cash and cash equivalents at end of year	13	7,812	8,329

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

1 General information

The Company was incorporated on 17 February 2006.

Biofutures International plc ('the Company') and its subsidiaries (together 'Group plc' or 'the Group') are involved in the refining of palm oil.

The Company is a public limited company incorporated and domiciled in England.

These consolidated financial statements have been approved for issue by the Board of Directors on 11 May 2009.

2 Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements of Group plc are for the year ended 31 December 2008. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and also as issued by the International Accounting Standards Board.

The Parent Company financial statements have been prepared using United Kingdom accounting policies and are on pages 30 to 34.

The Company is entitled to the merger relief offered by Section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Zurex.

The prior year accounts have been restated with regard to the retranslation of the carrying value of the goodwill, intangible assets and related deferred tax following the significant movement in the exchange rate in the current period.

The policies set out below have been consistently applied.

2.2 Going concern

The Group has committed to building a 200,000 metric tonne refinery plant which will require banking facilities to complete the capital spend and also to finance working capital requirements. Current cash resources based on the build programme are sufficient until February 2010 or if commissioning is delayed until April 2010 (assuming an exchange rate of £1= RM5.2). The foreign exchange rate impacts on the cash available to the project. The Board is actively seeking bank finance and expects to be successful in raising such finance. If funding is not raised then the commissioning of the plant will be deferred.

2.3 Standards in issue not yet effective

New standards and interpretations in issue but not effective for the accounting period are:

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009).
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009).
- Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009).
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009).
- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective 1 January 2009).
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements – Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009).
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective 1 July 2009).
- Amendment to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures About Financial Instruments (effective 1 January 2009).
- Embedded Derivatives – Amendments to IAS 39 and IFRIC 9 (effective for annual periods ending on or after 30 June 2009).
- Improvements to IFRSs (effective 1 January 2009 other than certain amendments effective 1 July 2009).
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009).
- IFRS 8 Operating Segments (effective 1 January 2009).
- IFRIC 13 Customer Loyalty Programmes (IASB effective date 1 July 2008).
- IFRIC 15 Agreements for the Construction of Real Estate (effective 1 January 2009).
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008).
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009).
- IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009).

The impact of the relevant standards above is expected to be presentational only.

Notes to the Financial Statements

(continued)

2 Summary of significant accounting policies (continued)

2.4 Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.5 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Group's business segments are the primary basis of segment reporting.

2.6 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in sterling, which is the Company's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange prevailing at that date. All exchange gains arising on retranslation of assets and liabilities are dealt with in the income statement.

(c) Consolidation of overseas subsidiary

Income and expenditure for overseas subsidiaries are included based upon monthly average exchange rates to give a fair approximation to the transaction rate. Balance sheet items are included at the year-end exchange rate. All other differences are included within the translation reserve, including related goodwill and intangible assets, which are translated at the rate ruling at the balance sheet date.

2.7 Property, plant and equipment

All property, plant and equipment (PPE) is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method at 10% to 20% so as to allocate the cost of each asset less its residual value over its estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Land is not depreciated. Assets in the course of construction are not depreciated until they are brought into use, at which point they are recategorised to their relevant description.

The principal annual depreciation rates used are as follows:

- Computer equipment 20%
- Motor vehicles 20%
- Leasehold additions 10%

Notes to the Financial Statements

(continued)

2.8 Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Identifiable intangible assets are recognised separately from goodwill on all acquisitions. Such assets are carried at fair value at the date of acquisition (ie as deemed cost). Such intangible assets are reviewed for impairment on an annual basis.

The intangible assets acquired were an option to acquire land, a licence to manufacture palm oil biodiesel, and the linked refinery licence subsequently obtained. The group of assets are all intrinsically linked and have been valued as a 'group' (see note 10). The Directors are of the opinion that these intangibles have an indefinite useful economic life, so no annual amortisation is charged. The group of assets will be subject to annual impairment review.

2.9 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested 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 or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2.10 Trade and other receivables

Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount plus transaction costs, and subsequently carried at amortised cost using the effective interest method less provisions made for doubtful receivables.

2.11 Trade and other payables

Trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest method.

2.12 Cash and cash equivalents

Cash and cash equivalents (readily convertible into a known amount of cash) include cash in hand and deposits held at call with banks with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

2.13 Deferred income tax

Deferred income 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. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

(continued)

2 Summary of significant accounting policies (continued)

2.14 Employee benefits

(a) Pension obligations

Group companies do not operate defined contribution schemes but contribute to individual personal pension plans for certain employees by way of paying 10% of their gross salary costs in lieu of a scheme contribution accounted for as salary when payable.

(b) Share based payments

The share option programmes allow Group employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is usually measured using a binomial model, taking account of the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest where forfeiture is due to performance criteria not being met during the life of the option.

2.15 Financial instruments

The Group's operations result in a number of financial risks that include foreign currencies and interest rates and credit risks.

The Group's treasury policy is set by the Board and is reviewed regularly. The policy involves the use of certain financial instruments in the management of risks.

Surplus cash is placed on short term deposit to maximise interest earned.

2.16 Judgments and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group 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.

Directors have used their expert knowledge of the Malaysian biofuels and oil refining markets to estimate the carrying values of goodwill and to estimate the carrying value of certain assets. Although the biodiesel project will not now be carried out, the holding of the biodiesel licence which includes the rights to produced refined palm oil, has enabled the Company to obtain an additional licence to produce and sell refined palm oil. Accordingly the biodiesel licence has not been impaired.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above (note 10).

(b) Intangibles

The Group has had to make judgments on which intangible assets are intrinsically linked (note 10). Although the biodiesel project will not now be carried out, the holding of the biodiesel licence which includes the rights to produced refined palm oil, has enabled the Company to obtain an additional licence to produce and sell refined palm oil. Accordingly the biodiesel licence has not been impaired (note 10).

(c) Estimated impairment of intangibles

The Group uses net present value calculations based on expected future cash flows to measure the value in use of the intangibles. These calculations require the use of estimates (note 10).

(d) Estimate of useful life of intangibles

The Directors have to estimate the useful life of intangibles. They have taken into account the nature of the assets and their expected life (note 10).

(e) Carrying value of property, plant and equipment

The Group has reviewed property, plant and equipment and exercised judgment on which assets will have a continuing benefit to the business. In addition judgments have had to be made, based on discussions with third parties, on the likely carrying value of assets that may not be required following the review of the Zurex Project (see note 9).

(f) Impairment of other assets

In view of the decision to re-engineer the biodiesel project into a refinery project, the Group has had to review all assets and make judgements that no impairment is required currently, other than that made in respect of property, plant and equipment assets. This mainly relates to land which is included at £1.462 million (see note 9).

Notes to the Financial Statements

(continued)

3 Subsidiaries

The Group has one principal subsidiary

Zurex Corporation Sdn. Bhd. ('Zurex') is incorporated in Malaysia and is 100% owned. It is building a palm oil refinery.

4 Segment information

Primary reporting format – business segments

At 31 December 2008, the Group is organised into two main business segments – (1) development and administration of investments ('head office') – (2) planning and construction of palm oil refining plant and related activities ('operational').

The segment results for the year ended 31 December 2008 are as follows:

	2008 £000	2007 £000
Operating loss		
Operational	(193)	(2,591)
Head office	(520)	(700)
	(713)	(3,291)
Loss before Income Tax		
Operational	(191)	(2,667)
Head office	(94)	(216)
	(285)	(2,883)
Loss for the year		
Operational	(191)	(2,667)
Head office	(94)	(216)
	(285)	(2,883)

The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:

	2008 £000	2007 Restated £000
Assets		
Operational	32,103	24,073
Head office	7,582	8,355
	39,685	32,428
Liabilities		
Operational	6,105	4,659
Head office	168	284
	6,273	4,943
Capital expenditure (note 9)		
Operational	105	2,762
Head office	-	-
	105	2,762

Segment assets consist primarily of land, plant and equipment, intangible assets, receivables and operating cash. They exclude deferred taxation.

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment (note 9), including additions resulting from acquisitions through business combinations.

Notes to the Financial Statements

(continued)

4 Segment information (continued)

Secondary reporting format – geographical segments

The home country of the Company is England.

	2008 £000	2007 Restated £000
Assets		
Malaysia	32,103	24,073
England	7,582	8,355
	39,685	32,428
Liabilities		
Malaysia	6,105	4,659
England	168	284
	6,273	4,943
Capital expenditure (note 9)		
Malaysia	105	2,762
England	-	-
	105	2,762

5 Expenses by nature

	2008 £000	2007 £000
Depreciation	11	7
Employee benefit expense (note 6)	326	430
Auditors' remuneration:		
• fees payable to the Company's auditors for the audit of the Company's annual accounts	23	26
• The audit of the Company's subsidiary: pursuant to legislation	1	1
• Tax services	7	9
Share based payment charge/(credit)	26	(56)
Exchange rate differences	(100)	(109)

All of the above are classified as administrative expenses

6 Directors and employees

The employee benefit expense during the year was as follows:

	2008 £000	2007 £000
Wages and salaries	299	351
Social security costs	19	45
Termination payments	-	55
Share based payments	8	(21)
	326	430

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

	2008 Number	2007 Number
Administration	7	7

Notes to the Financial Statements

(continued)

Remuneration in respect of Directors was as follows:

	2008 £000	2007 £000
Wages and salaries	272	315
Termination payments	-	55
	272	370

Highest paid Director

	2008 £000	2007 £000
Wages and salaries	99	95
Termination payments	-	50
Share based payments	-	(23)
	99	122

The Board of Directors consider key management to currently comprise the three Executive Directors (see page 5) and Henry Yong in 2008. In 2007 Nicholas Gee was also considered key management until his resignation. Compensation for key management was:

	2008 £000	2007 £000
Wages and salaries	272	267
Social security costs	18	39
Compensation for loss of office	-	50
Share based payments	8	(21)
	298	335

The termination payments were made to Directors who were not re-elected at the 2007 AGM.

7 Income tax expense

There is no tax charge due to the losses arising in the year and the impact of losses brought forward (2007: £nil).

Deferred tax relating to the acquisition during 2006 is detailed in note 11.

The tax on the Group's profit before tax differs from the loss before taxation multiplied by the standard rate of corporation tax in the UK due to the following:

	2008 £000	2007 £000
Loss before tax	(285)	(2,883)
Tax calculated at the standard rate of corporation tax in the UK: (28.5%) (2007: 30%)	(81)	(865)
Benefit of tax losses brought forward from previous periods/carried forward to future periods for which no deferred tax asset has been recognised	(52)	65
Expenses not deductible	133	800
Tax charge	-	-

Factors affecting future tax charges

The standard rate of UK corporation tax charge reduced from 30% to 28% from 1 April 2008, and the effective rate for 2008 was 28.5% and will fall to 28% in subsequent years.

Notes to the Financial Statements

(continued)

8 Loss per share

Basic

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

	2008	2007
Loss attributable to equity holders of the Company	£285,000	£2,883,000
Weighted average number of ordinary shares in issue	151,060,000	148,979,891
Basic and diluted loss per share in pence	(0.19)p	(1.94)p

Diluted

Diluted loss per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all contracted dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares.

The options and warrants in issue are currently anti-dilutive and accordingly the diluted loss per share is the same as the basic loss per share.

9 Property, plant and equipment

	Land £000	Leasehold additions £000	Motor vehicles £000	Computer equipment £000	Assets in the course of construction £000	Total £000
Cost						
As at 1 January 2007	1,153	-	-	-	550	1,703
Foreign exchange adjustment	33	-	-	-	24	57
Additions	-	30	14	8	2,710	2,762
As at 31 December 2007	1,186	30	14	8	3,284	4,522
Foreign exchange adjustment	377	10	5	2	1,045	1,439
Additions	3	-	-	8	94	105
Closing cost at 31 December 2008	1,566	40	19	18	4,423	6,066
Depreciation						
As at 1 January 2007	-	-	-	-	-	-
Foreign exchange adjustment	3	-	-	-	98	101
Charge for year	-	3	3	1	-	7
Impairment in year	76	-	-	-	2,400	2,476
Closing depreciation at 31 December 2007	79	3	3	1	2,498	2,584
Foreign exchange adjustment	25	1	1	-	795	822
Charge for year	-	4	3	4	-	11
Closing depreciation at 31 December 2008	104	8	7	5	3,293	3,417
Net book value as at 31 December 2008	1,462	32	12	13	1,130	2,649
Net book value as at 31 December 2007	1,107	27	11	7	786	1,938

Land impairment

The Company's subsidiary, Zurex, held the rights to acquire 50 acres of land at Lahad Datu, Sabah for a purchase consideration of RM26,136,000, of which 30% (approximately £1.2 million¹) had been paid, until 16 May 2008. This contract was rescinded on 16 May 2008 and replaced with a second agreement whereby Zurex has contracted to acquire a 14 acre plot for RM7,318,080 (approximately £1.1m¹). The difference in amounts will be used to pay interest of RM519,140 (approximately £76,000¹) and the balance of RM3,580 (approximately £500¹) offsetting the fees due in respect of the transaction which total RM21,400 (approximately £3,000¹). Accordingly, the value of land was impaired to the value of RM522,720 (approximately £76,000¹) in the accounts to 31 December 2007 and this was reflected in the income statement through interest and administration expenses accordingly. No further impairment provision has been made in 2008.

¹ (rate used in 2007 accounts of £1 = RM6.8)

Notes to the Financial Statements

(continued)

Impairment of assets in the course of construction

Zurex was established to build a 200,000 metric tonnes per annum palm oil biodiesel plant on the land at Lahad Datu, Sabah. As announced in May 2008 the Directors believe that the biodiesel plant is currently not economically viable due to the significant rise in the cost of palm oil. The Directors subsequently announced in November 2008 that they are re-engineering the works done to date to allow it to become a palm oil refinery plant instead. This will also give the flexibility to consider the production of palm oil biodiesel should economic circumstances permit in the future. In respect of the year ended 31 December 2007, the Board reviewed the capital expenditure incurred and considered that certain costs incurred will not have enduring value for the re-engineered project and accordingly wrote off this expenditure where it has no resale value. Certain assets are also likely to be sold and are included at their estimated realisable value. No further impairment has been recognised in 2008, in respect of the JJ Lurgi costs, which, depending on the outcome of current negotiations, may result in a write off of the assets in the course of construction currently included in the accounts. See notes 18 and 21.

The impairment charge has been included in the income statement as follows:

	2008 £000	2007 £000
Impairment	-	2,400
Included within interest	-	76
Total charge	-	2,476

10 Intangible assets

	Goodwill on consolidation £000	Group of intangibles £000	Deferred tax £000	Total £000
Fair value of acquisition	1,428	15,500	-	16,928
Deferred taxation (note 11)	4,650	-	(4,650)	-
Restated deferred tax at Malaysian tax rate of 26%	(620)	-	620	-
Translation gain	295	840	(218)	917
As at 31 December 2007 (restated)	5,753	16,340	(4,248)	17,845
Translation gain	1,831	5,199	(1,352)	5,678
As at 31 December 2008	7,584	21,539	5,600	23,523

The carrying amount of goodwill is all allocated to the operational cash-generating unit and is consistent with the treatment in previous years.

The intangible assets are included at their fair value and have been grouped together. They relate to the option to acquire the land, the licence to manufacture palm oil biodiesel and the linked refinery licence subsequently obtained. The group of assets could not be separated as they were considered to be all intrinsically linked. An indefinite life has been assumed as the licences have no termination date and the Group will have full rights to the land. The production of palm oil is also such an important commodity in Malaysia that its production and demand is expected to continue indefinitely.

Zurex was established to build a 200,000 metric tonnes per annum palm oil biodiesel plant on the land at Lahad Datu, Sabah. As announced in May 2008 the Directors believe that the biodiesel plant is currently not economically viable due to the significant rise in the cost of palm oil. The Directors announced in November 2008 that they are proposing to re-engineer the works done to date to allow a palm oil refinery plant to be built instead. 14 acres of land have now been acquired and permission obtained for an additional licence to permit palm oil refining. The intangible assets have been reviewed based on the assumption that the refinery plant will be built and that construction will be completed by mid 2010.

Notes to the Financial Statements

(continued)

10 Intangible assets (continued)

The projected cash flows over the next 10 years, discounted at a pre-tax rate of 12%, will be higher than the carrying values detailed above.

The projections to support the carrying value assume:

- Margin of refined palm oil over crude palm oil - RM200 per metric tonne.
- The plant is expected to produce 200,000 metric tonnes per annum.
- Income and costs rise at 5% per annum.
- 10 years has been used to more fairly reflect the long term nature of the plant.
- Terminal values have been used in calculating the discounted value of the cashflows.
- Pre-tax discount rate of 12% has been applied.
- Long term growth rate of 3% assumed.
- Exchange rate of £1 = RM5.2 used.

Based on the above assumptions no provision for impairment is required.

Goodwill represents the fair value attributed to the knowledge of the Malaysian nationals required to hold the operational licence for the biodiesel plant in Malaysia, acquired with Zurex. Although the biodiesel plant will not be built an additional licence has been obtained to also allow palm oil refining, which will utilize the same knowledge. Accordingly, no impairment is currently considered necessary.

11 Deferred income tax

The movement on the deferred income tax account reflects the restatement of the liability at the Malaysian tax rate of 26% and the translation gains arising on conversion from Malaysian Ringgit to Sterling:

	£000
As at 31 December 2007	4,650
Restated at Malaysian tax rate 26%	(620)
Retranslation gains not previously recognised	218
Restated at 31 December 2007	4,248
Retranslation gain	1,352
As at 31 December 2008	5,600

The deferred tax liability arose on the acquisition of Zurex in 2006.

The movement in deferred tax assets is as follows:

	2008 £000	2007 £000
As at 1 January	155	216
Impact of rate reduction	(10)	-
Adjustment in respect of prior years	(34)	(126)
(Losses in prior year utilised)/Unutilised losses arising during the year	(51)	65
Carried forward at 31 December	60	155

The deferred income tax asset is recoverable as follows:

	2008 £000	2007 £000
Deferred tax asset to be recovered after more than 12 months	60	155
Unprovided tax asset	60	155

The deferred tax asset is not provided in view of the uncertainty as to the timing of its recoverability.

Notes to the Financial Statements

(continued)

12 Trade and other receivables

	2008 £000	2007 £000
Other	101	68

The carrying amounts of other receivables are at fair value.

Credit risk

As the Company is currently not trading it has limited exposure to credit risk in respect of receivables.

Other receivables mainly relate to prepayments and deposits and no provisions or impairment have been made against such items.

13 Cash and cash equivalents

	2008 £000	2007 £000
Cash at bank and in hand	154	229
Short-term bank deposits	7,658	8,100
	7,812	8,329

Short term deposits are monies held on money market or fixed term deposits made with recognised banks.

Credit risk

The Group recognises the impact of credit risk and has diversified its cash holdings over four banks.

Interest rate and liquidity risk

The effective interest rate on short-term bank deposits was 5.3% (2007: 5.6%). These deposits have an average maturity of 34 days (2007: 8 days).

14 Share capital

	2008 Number	2008 £000	2007 Number	2007 £000
Authorised				
Ordinary shares of 1p each	250,000,000	2,500	250,000,000	2,500
Issued				
At 1 January	151,060,000	1,510	147,730,000	1,477
Issue of shares - 30 July 2007 (a)	-	-	3,330,000	33
At 31 December	151,060,000	1,510	151,060,000	1,510

All issued shares are fully paid.

(a) These shares were issued following the exercise of warrants that had been granted to the brokers prior to readmission. The exercise price was 1p.

15 Statement of changes in equity

Description and purpose of reserves:

Share capital	represents the nominal value of the shares issued.
Share premium	represents the premium over nominal value paid for the shares issued.
Merger reserve	represents the premium on shares issued as consideration for the acquisition of Zurex, which was acquired by way of share for share exchange and qualified for merger relief.
Translation reserve	represents the differences arising on translation of foreign operations into the presentational currency.
Share based scheme reserve	represents the balance of share award schemes not yet released to the income statement.

Notes to the Financial Statements

(continued)

16 Current liabilities

	2008 £000	2007 £000
Trade payables	667	627
Social security and other taxes	6	68
	673	695

The carrying amounts of trade and other payables are at fair value.

The trade creditor days of the Group for the year ended 31 December 2008 were 52 days (2007: 47 days).

17 Cash generated from operations

	2008 £000	2007 £000
Operating loss	(713)	(3,291)
Adjustments for:		
• depreciation	11	7
• impairment (note 9)	-	2,400
• share based payments (note 19)	26	(56)
Changes in working capital (excluding the effects of acquisition):		
• trade and other receivables	(33)	36
• trade and other payables	(125)	13
Cash generated from operations	(834)	(891)

18 Contingencies

In 2007 the Group disclosed a capital commitment of £4.068 million (RM26.9 million) (see note 21) in respect of the completion of the biodiesel plant. The original contract was for RM38.4 million of which RM11.5 million has been paid (£7.4 million and £2.2 million respectively at an exchange rate of £1 = RM5.2).

Following the decision to re-engineer the works done to allow it to be used as a refinery, the Group has now taken the view, supported by legal advice, that the contract terms have been changed by mutual agreement and that the balance of the contract cost will not now be payable. The outcome of this matter is still pending negotiations with JJ Lurgi.

No provision has been made for the balance of the contract costs and no contingent asset recognised relating to any potential refund in respect of the contract costs paid. The outcome of these negotiations could potentially impact on the carrying value of assets in the course of construction (see note 9).

No contingent liabilities were recognised in the year to 31 December 2007.

Notes to the Financial Statements

(continued)

19 Share based payments

The Group has three contracted share option schemes and warrants in issue. The contracted and proposed options have been valued in accordance with the provisions of IFRS 2. There was a charge of £27,000 (2007 credit £56,000) to the income statement in respect of share based payments.

Scheme	Date of original grant	Option price	Vesting conditions	Life of option	Number of options	Exercised	Lapsed	Carried forward
LTIP (employee)	27/10/06	1p	Share Price	3 years	2,600,000	-	2,480,000	120,000
LTIP (non employee)	27/10/06	1p	Share Price	3 years	3,000,000	-	3,000,000	-
Warrant	27/04/06	1p	None	7 months	3,330,000	3,330,000	-	-
Warrant	27/10/06	25p	None	1 month	1,107,975	-	-	1,107,975
Option	29/08/08	4.875p	None	4 Years	1,510,600	-	-	1,510,600

The fair value of services received in return for share options granted to employees is measured by reference to the fair value of share options granted. The estimate of fair value of the services received is measured based on a binomial lattice model for both LTIP Schemes. The vesting period is used as an input to those models. The following additional assumptions were used:

	LTIP	Warrants
Expected volatility based on the average volatility of four closely comparable companies over a 12 month period	60%	60%
No expected dividends	4.97%	4.65%
Risk-free interest rate	4.97%	4.6-4.9%

The options granted during the year are based on a volatility of 55% and a risk free interest rate of 4.53%.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2008 Number	2008 WAEP (pence)	2007 Number	2007 WAEP (pence)
At 1 January	1,227,975	22.65	10,037,975	3.09
Granted during the year	1,510,600	4.875	-	-
Exercised during the year	-	-	(3,330,000)	1.00
Lapsed	-	-	(5,480,000)	0.00
At 31 December	2,738,575	10.16	1,227,975	22.65

Notes to the Financial Statements

(continued)

20 Financial instruments

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow risk, fair value interest-rate risk and foreign currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The carrying amounts of the Group's financial assets and liabilities as at 31 December 2008 may also be categorised as follows:

	2008 £000	Group 2007 £000
Non current investments		
Investments	-	-
	-	-
Current assets		
Trade and other receivables	101	68
Cash and cash equivalents	7,812	8,329
Loans and receivables carried at amortised cost	7,913	8,397
Current liabilities		
Trade and other payables	673	695
Other financial liabilities carried at amortised cost	673	695

Risk management is carried out centrally under policies approved by the Board of Directors.

(a) Credit risk

The Group's current main credit risk relates to monies held on deposit with various banking institutions. Monies held on deposit are spread over four main financial institutions to reduce the credit risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and ensuring availability of funding. The Company is currently seeking banking facilities to enable it to complete the building of the refinery plant and to provide working capital.

(c) Cash flow and fair value interest rate risk

The Group's cash flow interest rate risk arises from money market deposits. Deposits made at variable rates expose the Group to cash flow interest rate risk. The Group's deposits are at a fixed rate for the duration of the deposit which range from one week to three months. No long term interest rate hedging contracts have been entered into. The Group does not consider the risk to be significant in view of the nature of the Group's current activities. If interest rates had changed by 0.5% during the year, the impact on the Group's profit and loss would have been £41,000 (2007: £42,000).

(d) Foreign currency risk

The Company has investments in operations outside the United Kingdom denominated in currencies other than sterling. As a result the value of the Company's non-sterling financial assets and cash flows can be affected by movements in exchange rates, in particular the Malaysian/Sterling exchange rate. The Group does not currently have an active policy to hedge its foreign currency risks as it is looking to finance the overseas operations in local currency hence reducing exchange risks (2007: nil).

Notes to the Financial Statements

(continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

The following amounts have been translated from Malaysian Ringgit

	2008 £000	2007 £000
Trade and other receivables	5	10
Cash and cash equivalents	325	33
Trade and other payables	(505)	(412)
Net exposure	(175)	(369)

For the year ended 31 December 2008, if the Malaysian Ringgit had weakened by 0.5 Malaysian Ringgit against the UK Pound Sterling with all other variables held constant, post tax loss for the year would have been £14,000 (2007: £184,000) lower mainly as a result of foreign exchange gains/losses on translation of Malaysian Ringgit-denominated transactions.

Equity would have been £270,000 (2007: £139,000) lower, arising mainly from foreign exchange losses/gains on translation of Malaysian Ringgit-denominated assets and liabilities.

21 Capital commitments

The following commitments have been entered into at the year end:

	2008 £000	2007 £000
Construction contract for biodiesel plant – JJ Lurgi	-	4,068

The Company has taken the view, supported by legal advice, that the contract terms with JJ Lurgi have been changed by mutual agreement and that the balance of the contract cost will not be payable. The negotiations are ongoing and are considered in more detail under note 18.

22 Post balance sheet events

In February 2009 the Company announced that Zurex has entered into a contract with WS Bioengineering Pte Ltd ('WS Bio') for the construction and commissioning of a palm oil refinery plant at a cost of RM30.2 million (£5.8 million – £1 = RM5.2). The refinery plant is due for completion by 30 June 2010.

23 Related party transactions

Henry Yong is a director of both WS Bio and Zurex (although he is not a director of the Company), and accordingly the contract entered into with WS Bio in February 2009 represents a related party transaction.

Financial Statements: Balance Sheet (Parent Company)

for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Investments	2	16,926	16,926
Current assets			
Debtors	3	5,340	4,458
Cash at bank and in hand		7,487	8,296
		12,827	12,754
Creditors: amounts falling due within one year	4	(168)	(284)
Net current assets		12,659	12,470
Net assets		29,585	29,396
Capital and reserves			
Called up share capital	6	1,510	1,510
Share premium account	7	11,293	11,293
Merger reserve	7	16,001	16,001
Share based scheme reserve	7	1,060	1,033
Profit and loss account	7	(279)	(441)
Shareholders' funds		29,585	29,396

The financial statements were approved by the Board of Directors on 11 May 2009.

David Yeoh

Julie Pomeroy

Financial Statements (Parent Company)

for the year ended 31 December 2008

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and have been prepared under United Kingdom Generally Accepted Accounting Practice.

Under Section 230 (4) of the Companies Act 1985, the Company is exempt from the requirement to present its own profit and loss account (as detailed in note 12).

The Company is entitled to the merger relief offered by Section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Zurex.

The principal accounting policies of the Company are set out below.

Income from investments

Investment income comprises bank interest received.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Investments

Investments in subsidiary companies which were subject to merger relief are shown at the nominal value of shares issued in accordance with the provisions of the Companies Act 1985.

Investments in subsidiary companies which are accounted for under acquisition accounting principles are shown at cost less any provision for impairment.

Financial instruments

The Company has taken advantage of the exemptions available in FRS 29 'Financial instruments: disclosure and presentation' from disclosing information on financial instruments on the basis that these disclosures are set out in the consolidated financial statements of Biofutures International plc for the year ended 31 December 2008.

Share based payments

On the issue of equity instruments such as shares or share options, a charge is made in the profit and loss account equivalent to the difference between the fair value of the instrument at the date of grant of rights, and the amount paid or payable by the holder of the instrument to realise the benefit of the rights. This charge is spread over the period until the participants become unconditionally entitled to benefit. A corresponding credit is made to reserves at the same time. Where there are non-market vesting conditions, an estimate is made of the amount of instruments that will vest. This estimate is reviewed annually and the charge recognised adjusted as required. Where the amount paid or payable by the holder of the instrument, to realise the benefit of the rights, is considered to exceed the fair value of the instrument, no charge is made.

Financial Statements (Parent Company)

for the year ended 31 December 2008 (continued)

1 Tax on profit on ordinary activities

There is no tax charge due to the loss for the year. The loss available to carry forward against future profits is £213,000. No deferred tax asset has been provided due to the anticipated timing of the utilisation of the losses (note 5).

2 Fixed asset investments

	2008 £000	2007 £000
Cost		
At 1 January	16,926	16,926
Additions in year	-	-
At 31 December	16,926	16,926

3 Debtors

	2008 £000	2007 £000
Amounts owed by Group undertaking	5,245	4,400
Other debtors	95	58
	5,340	4,458

4 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	34	216
Other taxation and social security	5	41
Accruals and deferred income	129	27
	168	284

5 Deferred taxation

The deferred tax asset is unprovided at 31 December 2008

	2008 £000	2007 £000
Other timing differences re: losses carried forward	60	155

The deferred income tax asset is recoverable as follows:

	2008 £000	2007 £000
Deferred tax asset to be recovered after more than 12 months	60	155
Unprovided tax asset	60	155

The deferred tax asset is not provided in view of the uncertainty as to the timing of its recoverability.

Financial Statements (Parent Company)

for the year ended 31 December 2008 (continued)

6 Share capital

	2008 £000	2007 £000		
Authorised				
Ordinary shares of 1p each	2,500	2,500		
Allotted, called up and fully paid Ordinary shares of 1p each	1,510	1,510		
	2008 Number	2008 £000	2007 Number	2007 £000
Issued				
At 1 January	151,060,000	1,510	147,730,000	1,477
Issue of shares 30 July 2007 (a)	-	-	3,330,000	33
At 31 December	151,060,000	1,510	151,060,000	1,510

All issued shares are fully paid.

(a) These shares were issued following the exercise of warrants that had been granted to the brokers prior to readmission. The exercise price was 1p.

7 Share premium account and reserves

	Share premium account £000	Merger reserve £000	Share-based scheme reserve £000	Profit and loss account £000
At 1 January 2007	11,293	16,001	1,089	(414)
Release of options	-	-	(56)	-
Loss for the year	-	-	-	(27)
At 31 December 2007	11,293	16,001	1,033	(441)
Grant of warrants	-	-	27	-
Profit for the year	-	-	-	162
At 31 December 2008	11,293	16,001	1,060	(279)

8 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Shareholder funds at 1 January	29,396	29,446
Profit (Loss) for the financial year	162	(27)
Share issues in the year	-	33
Share based scheme reserve movement	27	(56)
Shareholders' funds at 31 December	29,585	29,396

Financial Statements (Parent Company)

for the year ended 31 December 2008 (continued)

9 Capital commitments

The Company had no contracted capital commitments at 31 December 2008 (2007: £nil).

10 Contingencies

There were no contingent liabilities at 31 December 2008 (2007: £nil).

11 Transactions with Directors and other related parties

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related party disclosures' and has not disclosed transactions with Group undertakings.

There are no other related party transactions.

12 Result of the Company

The Company has taken advantage of the exemption available under Section 230 of the Companies Act 1985 and has not presented its own profit and loss account. The profit of the Company for the year was £161,841 (2007: £26,614 loss).

Notes

Notes



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