

Coy's House

# Byotrol Technology Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2010



Company Registration No 5469392

# Byotrol Technology Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

D M McRobbie  
S B Falder  
R W Bell

### SECRETARY

R W Bell

### REGISTERED OFFICE

Riverside Works  
Collyhurst Road  
Manchester  
M40 7RU

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

### BANKERS

Lloyds TSB plc  
1 King Street  
Manchester  
M2 4WQ

### SOLICITORS

Field Fisher Waterhouse LLP  
35 Vine Street  
London  
EC3N 2AA

# Byotrol Technology Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Byotrol Technology Limited for the year ended 31 March 2010

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the development, patenting and sale of products based on microbial technology

### DIRECTORS

The directors who served the company during the year were as follows

D M McRobbie  
S B Falder  
R W Bell

The directors' interests in the share capital of the parent undertaking, Byotrol plc, are disclosed in the financial statements of that company

The company has a Directors and Officers liability policy which was in force during the year

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

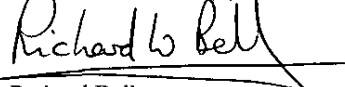
### AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board



Richard Bell

Director

8 December 2010

# Byotrol Technology Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BYOTROL TECHNOLOGY LIMITED

We have audited the financial statements on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime.



GEOFF WIGHTWICK (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

21.12.10

**Byotrol Technology Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2010

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	<i>Notes</i>	2010 £	2009 £
TURNOVER	1	2,481,900	330,582
Cost of sales		(1,402,404)	(233,101)
Gross profit		<u>1,079,496</u>	<u>97,481</u>
Administrative expenses		(1,601,373)	(1,605,921)
OPERATING LOSS	2	<u>(521,877)</u>	<u>(1,508,440)</u>
Interest receivable		261	838
Interest payable and similar charges	5	(102)	(795)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(521,718)</u>	<u>(1,508,397)</u>
Taxation	6	—	—
LOSS FOR THE FINANCIAL YEAR	18	<u>(521,718)</u>	<u>(1,508,397)</u>

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# Byotrol Technology Limited

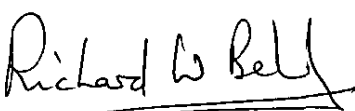
## BALANCE SHEET

31 March 2010

Company Registration No 5469392

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	8	159,837	65,857
<b>CURRENT ASSETS</b>			
Stocks	9	547,629	110,682
Debtors	10	1,250,670	464,793
Cash at bank and in hand		439,078	138,119
		<u>2,237,377</u>	<u>713,594</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	5,941,118	3,826,756
<b>NET CURRENT LIABILITIES</b>		<u>(3,703,741)</u>	<u>(3,113,162)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,543,904)</u>	<u>(3,047,305)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	17	2	2
Capital contribution reserve	18	207,114	181,995
Profit and loss account	18	(3,751,020)	(3,229,302)
<b>DEFICIT</b>	19	<u>(3,543,904)</u>	<u>(3,047,305)</u>

The financial statements on pages 5 to 17 were approved by the board of directors and authorised for issue on 8 December 2010 and are signed on their behalf by

  
R W Bell

# Byotrol Technology Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cashflow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

### TURNOVER

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax. Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided net of discounts and other sales related taxes. Sales of goods are recognised when goods are delivered and the significant risks and rewards have passed, subject to any reservation of title in the event of non-payment.

### RESEARCH AND DEVELOPMENT

Research and development expenditure is written off in the year in which it is incurred.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	33.3% per annum
Plant & Machinery	-	20% per annum
Motor Vehicles	-	25% per annum
Equipment	-	33.3% per annum

The carrying values of the tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### PENSION COSTS

The company operates a defined contribution scheme whereby contributions are charged to the profit and loss account as incurred.



# Byotrol Technology Limited

## ACCOUNTING POLICIES

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### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FOREIGN CURRENCIES

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

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial information in conformity with United Kingdom Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are both readily apparent from other sources. Actual results may differ from these estimates. The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements that have a significant effect on the amounts recognised in the financial statements are detailed below.

#### *Going concern*

The Company incurred a loss for the year of £521,718 and has net liabilities of £3,543,904 at 31 March 2010. The Company is reliant upon the continuation of funding provided by its parent company, Byotrol plc, to enable it to continue to meet its debts as they fall due. The directors of Byotrol plc have confirmed in writing that such funding will be available. Accordingly the directors have prepared the financial statements on the going concern basis.

#### *Provision against doubtful debts*

The directors have considered the carrying value of trade debtors and have concluded that there is reasonable evidence to suggest certain trade debts will not be provided for in full and have reflected a provision against the value of trade debtors in the accounts.

### INTANGIBLE ASSETS – GOODWILL

Goodwill representing the excess of the consideration for acquired trade and assets compared with the fair value of net assets acquired of £1 has been written off immediately to the profit and loss account.

# Byotrol Technology Limited

## ACCOUNTING POLICIES

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### SHARE BASED PAYMENTS

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were not vested as of 1 January 2006.

The parent company issues options to purchase ordinary shares in the parent company to certain of the group's employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

# Byotrol Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

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### 1 TURNOVER

The turnover of the company for the period has been derived from its principal continuing activity

The analysis by geographical area of the turnover by destination is set out below

	2010	2009
	£	£
United Kingdom	1,980,246	283,666
Rest of the World	501,654	46,916
	<u>2,481,900</u>	<u>330,582</u>

### 2 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2010	2009
	£	£
Research and development expenditure written off	301,443	213,989
Depreciation of owned fixed assets	42,381	33,688
Auditor's fees – audit	9,500	8,500
Operating lease costs – motor vehicles	30,381	21,209
Net loss on foreign currency translation	<u>5,661</u>	<u>7,992</u>

A full breakdown of all amounts paid to Baker Tilly UK Audit LLP is disclosed in the notes to the consolidated accounts of the company's parent undertaking Byotrol plc

### 3 DIRECTORS EMOLUMENTS

The directors were remunerated for their services by the parent company. Director's remuneration is disclosed in the parent company accounts.

The company incurred a re-charge of £Nil (2009 £53,000) in respect of part of the salary of one of the directors during the year from its parent company and this amount is charged to administrative expenses in the Profit and Loss Account.

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Number of distribution staff	3	3
Number of administrative & sales staff	17	19
Number of R&D staff	<u>6</u>	<u>2</u>
	<u>26</u>	<u>24</u>

**Byotrol Technology Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

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**4 PARTICULARS OF EMPLOYEES (continued),**

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	623,301	576,902
Social security costs	66,145	46,205
Other pension costs	18,942	17,267
	<u>708,388</u>	<u>640,374</u>

**5 INTEREST PAYABLE**

	2010	2009
	£	£
Bank interest payable	<u>102</u>	<u>795</u>

**6 TAXATION ON ORDINARY ACTIVITIES**

There is no tax charge as the company has made losses in both the current and previous year  
The nil charge for the year is reconciled to the loss per the Profit and Loss Account as follows

	2010	2009
	£	£
Loss on ordinary activities before taxation	<u>(521,718)</u>	<u>(1,508,397)</u>
Loss on ordinary activities by rate of tax 28% (2008 30%)	(146,081)	(422,351)
Expenses not deductible for tax purposes	20,691	21,425
Depreciation for period in excess of Capital Allowances	3,279	2,187
Unrelieved tax losses	122,111	399,335
Sundry tax adjusting items	-	(596)
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company had a potential deferred tax asset in respect of unutilised trading losses of £958,424 (2009 £836,312) at the end of the year for off set against future trading profits of the company. The availability of such losses will hence reduce future corporation tax charged on the company's profits at the rate then in force. The potential saving in corporation tax assessable on the company in respect of these losses has not been recognised as a deferred tax asset as in the directors' opinion the criteria for recognition of such an asset as defined by Financial Reporting Standard 19 has not been met.

# Byotrol Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

### 7 ACQUISITION

On 4 February 2010 Byotrol Technology Limited acquired the trade and certain assets of Byofresh Limited, a company incorporated in the United Kingdom which is a specialist pet care product business supplying an extensive range of pet grooming and hygiene products to professional and domestic customers. This transaction has been accounted for by the acquisition method of accounting.

	Acquiree's carrying amount 2010 £	Fair value adjustments 2010 £	Fair value 2010 £
Plant and machinery	31,007	-	31,007
Stock	115,553	-	115,553
Intangible assets	123,750	42,600	166,350
Fair value of identifiable assets and liabilities	270,310	42,600	312,910
Goodwill	-	1	1
Cost of the acquisition	270,310		312,911
Satisfied by			
Cash			146,561
400,000 Ordinary £1 shares in Byotrol			128,000
Plc at share price of 32p			
Acquisition expenses (incurred by Byotrol Plc)			38,350
			312,911
Net cash outflow arising on acquisition (Byotrol Technology Limited)			146,561

Byofresh contributed £186,383 to company revenue and £797 to Byotrol's loss for the period between the date of acquisition and the balance sheet date. For the year ended 31 March 2010 it is estimated that Byofresh would have contributed £708,652 to the company's revenue and a loss of £70,473.

The directors have carefully reviewed the fair value of the goodwill and assets acquired and are of the opinion that the carrying value is reasonable. The intangible assets are held by the parent company, whereas a Byotrol Technology Limited holds the operating assets.

The company has entered into a service contract with a key former employee of Byofresh Limited which will permit him, subject to certain profit and revenue targets, to earn bonuses of up to a maximum, in aggregate, £1.75 million, which will only be achieved if Byofresh achieves a significant uplift in performance both against historic measures and the Board's forecasts in the three years following completion. Payment will be made in shares and/or cash at the Company's election. No provision has yet been made for such bonuses as in the opinion of the directors it is too early to determine if targets will be met.

**Byotrol Technology Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

**8 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 April 2009	22,647	12,172	55,058	74,228	164,105
Additions	-	108,500	37,270	3,902	149,672
Disposal	-	-	(17,475)	-	(17,475)
At 31 March 2010	<u>22,647</u>	<u>120,672</u>	<u>74,853</u>	<u>78,130</u>	<u>296,302</u>
Depreciation					
At 1 April 2009	22,647	5,718	11,925	57,958	98,248
Charge for the year	-	16,437	15,825	10,119	42,381
On disposal	-	-	(4,164)	-	(4,164)
At 31 March 2010	<u>22,647</u>	<u>22,155</u>	<u>23,586</u>	<u>68,077</u>	<u>136,465</u>
Net book value					
At 31 March 2010	<u>-</u>	<u>98,517</u>	<u>51,267</u>	<u>10,053</u>	<u>159,837</u>
At 31 March 2009	<u>-</u>	<u>6,454</u>	<u>43,133</u>	<u>16,270</u>	<u>65,857</u>

**9 STOCK**

	2010 £	2009 £
Raw Materials	223,066	60,715
Finished Goods	324,563	49,967
	<u>547,629</u>	<u>110,682</u>

**10 DEBTORS**

	2010 £	2009 £
Trade debtors	1,078,036	290,808
VAT recoverable	84,100	38,133
Other debtors	88,534	135,852
	<u>1,250,670</u>	<u>464,793</u>

**11 CREDITORS** Amounts falling due within one year

	2010 £	2009 £
Trade creditors	539,776	80,915
Amount owed to group undertaking	21,401	22,674
Amount owed to parent company	5,253,072	3,687,770
Other taxation and social security	39,926	13,661
Other creditors	86,943	21,736
	<u>5,941,118</u>	<u>3,826,756</u>

# Byotrol Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

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### 12 PENSIONS

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. At 31 March 2010 there were outstanding contributions of £2,720 (2009 £3,585) included within other creditors.

### 13 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	2010 Other £	2009 Other £
Operating leases which expire		
Within 1 year	-	3,862
Within 2 to 5 years	-	-
	<u>-</u>	<u>3,862</u>

### 14 CONTINGENCIES

The company had no contingent liabilities at 31 March 2010.

### 15 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Byotrol plc, a company whose consolidated financial statements are publicly available. Consequently no details of intragroup transactions are included in these statements, as the company has taken the exemption from disclosure available in Financial Reporting Standard 8.

The company has a trading relationship with HMG Paints Limited, a wholly owned subsidiary of H Marcel Guest Limited a company of which Stephen Falder is a director and shareholder. HMG Paints Limited has a manufacturing agreement with the company and also provides, on an arm's length basis, office facilities and services in the UK. The company purchased £26,828 of product (2009 £100,965) and £185,017 of services (2009 £127,736) from HMG Paints during the period. The balance due at the year end is £7,506 (2009 £44,163). The company made short term loans to HMG Paints during the period totalling £120,000. The balance due to the company at the year end is £60,000 which is included within debtors.

# Byotrol Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2010

#### 16 SHARE BASED PAYMENTS

The parent company has granted equity settled share options to selected employees. The exercise price is the market value of the shares at the date of grant. The vesting period is two years. If the options remain unexercised after a period of ten years from the date of grant the options expire.

Details of the share options outstanding during the year are as follows:

	2010		2009	
	Number of share options	Weighted average exercise price (in p)	Number of share options	Weighted average exercise price (in p)
Outstanding at beginning of year	530,000	52.2	615,000	51.0
Share options granted during the year	195,000	13.0	-	-
Share options lapsed during the year	(110,000)	54.6	(85,000)	42.5
Outstanding at the end of the year	<u>615,000</u>	<u>39.3</u>	<u>530,000</u>	<u>52.2</u>

The Company recognised the following expenses related to share-based payments:

	2010 £	2009 £
Charged to Profit and Loss Account	<u>25,119</u>	<u>56,395</u>

The fair value of options granted under the employee option schemes is measured using the Black-Scholes model. The inputs to the model are as follows:

	New Grants
Grant date	23.06.10
Share price at grant date	13.0p
Exercise price	13.0p
Number of employees	19
Share options granted	195,000
Vesting period (years)	1 – 2
Expected volatility	80.0%
Option life (years)	10
Expected life (years)	10
Risk free rate	1.60%
Expected dividends expressed as a dividend yield	0.00
Fair value per option	11.0p

The options outstanding at 31 March 2010 had a weighted average exercise price of 17p and a weighted average remaining contractual life of 9.0 years.

The aggregate of the estimated fair values of the options granted in the year is £21,450.

At 31 March 2010 there were options outstanding over 615,000 (2009: 530,000) ordinary shares of 0.25p each which are exercisable at prices in the range from 13p to 59p under the company's various share option scheme exercisable at various times until 23 June 2020.



# Byotrol Technology Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

### 16 SHARE BASED PAYMENTS (continued)

Expected volatility was based upon the historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

### 17 SHARE CAPITAL

	2010 £	2009 £
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2010 £	2009 £
Allotted, called up and fully paid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 18 PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
At 1 April 2009	(3,229,302)	(1,720,905)
Loss for the financial year	<u>(521,718)</u>	<u>(1,508,397)</u>
At 31 March 2010	<u>(3,751,020)</u>	<u>(3,229,302)</u>

#### CAPITAL CONTRIBUTION RESERVE

	2010 £	2009 £
At 1 April 2009	181,995	125,600
Share based compensation	<u>25,119</u>	<u>56,395</u>
At 31 March 2010	<u>207,114</u>	<u>181,995</u>

### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
Loss for the financial year	(521,718)	(1,508,397)
Share based compensation	<u>25,119</u>	<u>56,395</u>
Net increase in shareholder's deficit	(496,599)	(1,452,002)
Opening shareholder's deficit	<u>(3,047,305)</u>	<u>(1,595,303)</u>
Closing shareholder's deficit	<u>(3,543,904)</u>	<u>(3,047,305)</u>

### 20 PARENT UNDERTAKING

The company's parent undertaking is Byotrol plc. Copies of its consolidated financial statements, which include the company, are available from Riverside Works, Collyhurst Road, Manchester, M40 7RU.

**Byotrol Technology Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2010**

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**21 ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of Byotrol plc, a company listed on AIM. The directors therefore consider there is no single ultimate controlling interest.