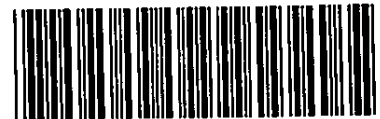


Byotrol Technology Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2014



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COMPANIES HOUSE

A48QURHT

A14 03/06/2015 #71

COMPANIES HOUSE

A47R3K75

A12 19/05/2015 #201

COMPANIES HOUSE

Company Registration No 05469392

Byotrol Technology Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Millar (resigned 8 October 2013)
D Grosvenor (resigned 31 March 2014)
D Traynor (appointed 31 March 2014)
D Keenan (appointed 31 March 2014)

SECRETARY

R W Bell (resigned 31 March 2014)
D Keenan (appointed 31 March 2014)

REGISTERED OFFICE

Riverside Works
Collyhurst Road
Manchester
M40 7RU

AUDITOR

Mazars LLP
The Lexicon
10-12 Mount Street
Manchester
M2 5NT

BANKERS

Barclays Bank plc
3 Hardman Street
Manchester
M3 3HF

SOLICITORS

Field Fisher Waterhouse LLP
35 Vine Street
London
EC3N 2AA

Byotrol Technology Limited

STRATEGIC REPORT

The directors present their strategic report for Byotrol Technology Limited for the year ended 31 March 2014

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Business Review

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

Key performance indicators

Management uses a range of performance measures to monitor and manage the business. Certain of these are particularly important in the generation of shareholder value and are considered key performance indicators or KPIs. The KPIs used in the business include

- The current and projected cash resources,
- The level of sales and repeat sales,
- The timeliness and efficiency of the research and development team, and
- Manpower levels and their effectiveness

Professional sales were progressing at a slower rate than required, impacting on financial projections. As a result, manpower levels and other costs have been rationalised, and will be reduced further if necessary. The Board is satisfied with the performance and delivery of the research and development team. The Board retains these KPIs as being entirely suited to the needs of a growing business.

Development and financial performance during the year

Turnover increased to £2,260k from £2,040k in 2013 which was a 10.8% growth on a like for like basis. Controls over operating expenses continued. These decreased by 17% from £1,372k to £1,135k.

Financial position at the reporting date

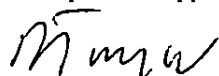
The cash position was under pressure throughout the year and the balance at the year end was insufficient to meet the Company's forthcoming requirements. Byotrol plc, the parent undertaking and ultimate controlling party, has confirmed its intention to provide such financial support as is necessary to the Company so as to enable it both to meet its liabilities as they fall due and carry on its business without a significant curtailment in operations until a date at least twelve months from the date of approval of these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The company believes that there are currently no principal risks and uncertainties facing the business. However, it is fully aware that the changing and increasingly costly regulatory and environmental pressures, especially in the European Union, will mean that the company's management must always be pro-active in responding to any changing market conditions.

Approval

This report was approved by the Board of Directors and signed on its behalf by



D Traynor

Director

15 May 2015

Byotrol Technology Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Byotrol Technology Limited for the year ended 31 March 2014

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

G Millar	(resigned 8 October 2013)
D Grosvenor	(resigned 31 March 2014)
D Traynor	(appointed 31 March 2014)
D Keenan	(appointed 31 March 2014)

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.

GOING CONCERN

Byotrol plc, the parent undertaking and ultimate controlling party, has confirmed its intention to provide such financial support as is necessary to the Company so as to enable it both to meet its liabilities as they fall due and carry on its business without a significant curtailment in operations until a date at least twelve months from the date of approval of these financial statements.

Byotrol plc has prepared accounts on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The Group's ability to meet its future funding and working capital requirements and therefore continue as a going concern is dependent upon being able to generate significant revenues and free cash flow. The Directors believe that Byotrol plc has sufficient planned sales growth through the launch of new products along with forecast revenue streams from existing business to continue to support the Company for the foreseeable future. In the event that the Group is unable to achieve its forecast cash inflows, the Directors have opportunities available to them which will enable them to reduce costs so that the business can continue to exist within its current funding arrangements or to source alternative additional finance through new commercial agreements or equity funding. The directors have prepared projected cashflow information for the period ending 12 months from the date of approval of these financial statements.

The directors of the Company confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements of the Company.

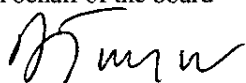
Byotrol Technology Limited

DIRECTORS' REPORT

AUDITOR

A resolution to reappoint Mazars LLP, as auditor will be put to the members at the annual general meeting

On behalf of the board



D Traynor

Director

15 May 2015

Byotrol Technology Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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, and
- c 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 of Byotrol Technology Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 and express an opinion on 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies within the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £750,464 during the year ended 31 March 2014 and, at that date, the company's net liabilities were £7,740,315, it had net current liabilities of £7,943,443 and is dependent on financial support from its parent undertaking, Byotrol plc. These conditions, along with the other matters explained in accounting policies within the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Timothy Hudson (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
10-12 The Lexicon
Mount Street
Manchester
M2 5NT

Byotrol Technology Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER	1	2,260,401	2,039,659
Cost of sales		(1,875,215)	(1,485,617)
Gross profit		385,186	554,042
Administrative expenses		(1,135,136)	(1,372,147)
OPERATING LOSS	2	(749,950)	(818,105)
Interest payable and similar charges	5	(514)	(448)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(750,464)	(818,553)
Taxation	6	-	-
LOSS FOR THE FINANCIAL YEAR	18	(750,464)	(818,553)

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 2014

Company Registration No 05469392

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	118,681	76,345
Intangible assets	8	84,437	-
		<u>203,118</u>	<u>76,345</u>
CURRENT ASSETS			
Stocks	9	278,349	450,800
Debtors	10	531,012	574,435
Cash at bank and in hand		62,960	231,671
		<u>872,321</u>	<u>1,256,906</u>
CREDITORS			
Amounts falling due within one year	11	8,815,754	8,323,102
NET CURRENT LIABILITIES		<u>(7,943,443)</u>	<u>(7,066,196)</u>
NET LIABILITIES		<u>(7,740,315)</u>	<u>(6,989,851)</u>
CAPITAL AND RESERVES			
Called up equity share capital	17	2	2
Capital contribution reserve	18	220,792	220,792
Profit and loss account	18	(7,961,109)	(7,210,645)
SHAREHOLDERS' DEFICIT	19	<u>(7,740,315)</u>	<u>(6,989,851)</u>

The financial statements on pages 8 to 18 were approved by the board of directors and authorised for issue on 15 May 2015 and are signed on their behalf by


D Traynor
Director

Byotrol Technology Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

As at 31 March 2014, the Company had net liabilities of £7,740,315. Byotrol plc, the parent undertaking and ultimate controlling party, has confirmed its intention to provide such financial support as is necessary to the Company so as to enable it both to meet its liabilities as they fall due and carry on its business without a significant curtailment in operations until a date at least twelve months from the date of approval of these financial statements.

Byotrol plc has prepared accounts on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The Group's ability to meet its future funding and working capital requirements and therefore continue as a going concern is dependent upon being able to generate significant revenues and free cash flow. The Directors believe that Byotrol plc has sufficient planned sales growth through the launch of new products along with forecast revenue streams from existing business to continue to support the Company for the foreseeable future. In the event that the Group is unable to achieve its forecast cash inflows, the Directors have opportunities available to them which will enable them to reduce costs so that the business can continue to exist within its current funding arrangements or to source alternative additional finance through new commercial agreements or equity funding. The directors have prepared projected cashflow information for the period ending 12 months from the date of approval of these financial statements.

The directors of the Company confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements of the Company.

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

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

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

- an asset is created that can be identified (such as new products and processes),
- it is probable that the asset created will generate future economic benefits,
- the development cost of the asset can be measured reliably,
- the product or process is technically and commercially feasible, and
- sufficient resources are available to complete the development and to either sell or use the asset.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. The Company has capitalised development expenditure during the year. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over 10 years on a straight line basis.

Byotrol Technology Limited

ACCOUNTING POLICIES

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold Property	33 3%	on straight line
Plant & Machinery	20%/50%	on straight line
Motor Vehicles	25%	on reducing balance
Equipment	33 3%	on straight line

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

GOVERNMENT GRANTS

Income from government grants is credited to the Profit and Loss Account as the relevant expenditure is incurred and paid

PENSION COSTS

The company operates a defined contribution scheme whereby contributions are charged to the Profit and Loss Account as incurred

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

Deferred tax assets are recognised to the extent that they are recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, 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

Byotrol Technology Limited

ACCOUNTING POLICIES

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.

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 2014

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

	2014	2013
	£	£
United Kingdom	1,860,837	1,682,578
Rest of the World	399,564	357,081
	<u>2,260,401</u>	<u>2,039,659</u>

2 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2014	2013
	£	£
Government grant income	(79,260)	(123,792)
Research and development expenditure written off	293,345	376,678
Depreciation of fixed assets	65,110	45,005
Loss on disposal of fixed assets	-	18,129
Auditor's remuneration	5,000	12,725
Net profit on foreign currency translation	932	25,611

A full breakdown of all amounts paid to Mazars 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.

4 PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of administrative & sales staff	7	9
Number of research & development staff	6	8
	<u>13</u>	<u>17</u>

The aggregate payroll costs of the above were

	2014	2013
	£	£
Wages and salaries	467,299	614,220
Social security costs	59,803	71,986
Other pension costs	21,449	22,601
	<u>548,551</u>	<u>708,807</u>

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank interest	514	448
	<u>514</u>	<u>448</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

	2014 £	2013 £
Loss on ordinary activities before taxation	<u>(750,464)</u>	<u>(818,553)</u>
Loss on ordinary activities by rate of tax 23% (2013 24%)	(172,607)	(196,453)
Expenses not deductible for tax purposes	1,080	1,147
Depreciation for period in excess of Capital Allowances	-	-
Unrelieved tax losses	<u>171,527</u>	<u>195,306</u>
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 £1,672,258 (2013 £1,564,854) at the end of the year for offset 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.

7 TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 April 2013	22,647	133,057	36,465	107,657	299,826
Additions	-	107,446	-	-	107,446
Disposal	-	-	-	-	-
At 31 March 2014	<u>22,647</u>	<u>240,503</u>	<u>36,465</u>	<u>107,657</u>	<u>407,272</u>
Depreciation					
At 1 April 2013	22,647	87,702	16,644	96,488	223,481
Charge for the year	-	49,738	6,475	8,897	65,110
On disposal	-	-	-	-	-
At 31 March 2014	<u>22,647</u>	<u>137,440</u>	<u>23,119</u>	<u>105,385</u>	<u>288,591</u>
Net book value					
At 31 March 2014	<u>-</u>	<u>103,063</u>	<u>13,346</u>	<u>2,272</u>	<u>118,681</u>
At 31 March 2013	<u>-</u>	<u>45,355</u>	<u>19,821</u>	<u>11,169</u>	<u>76,345</u>

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

8 INTANGIBLE ASSETS

	Development Costs £	Total £
Cost		
At 1 April 2013	-	-
Additions	84,437	84,437
Impairment	-	-
At 31 March 2014	<u>84,437</u>	<u>84,437</u>
Amortisation		
At 1 April 2013	-	-
Charge for the year	-	-
Impairment	-	-
At 31 March 2014	<u>84,437</u>	<u>84,437</u>
Net book value		
At 31 March 2014	<u>84,437</u>	<u>84,437</u>

9 STOCK

	2014 £	2013 £
Raw materials	77,363	105,982
Finished goods	200,986	344,818
	<u>278,349</u>	<u>450,800</u>

10 DEBTORS

	2014 £	2013 £
Trade debtors	430,622	489,512
Amount owed by group undertaking	25,238	-
Other debtors	75,152	84,923
	<u>531,012</u>	<u>574,435</u>

11 CREDITORS Amounts falling due within one year

	2014 £	2013 £
Trade creditors	483,467	536,873
Invoice discounting facility	184,625	133,337
Amount owed to parent company	8,073,667	7,552,895
Other taxation and social security	59,546	62,102
Other creditors	14,449	37,895
	<u>8,815,754</u>	<u>8,323,102</u>

Invoice discounting facility is secured by a fixed charge debenture on the assets of the company Byotrol plc has provided a cross guarantee to support the invoice discounting facility

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

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 2014 there were outstanding contributions of £Nil (2013: £NIL) included within other creditors.

13 COMMITMENTS UNDER OPERATING LEASES

The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows

	2014	2013
	£	£
Amounts due		
Within one year	96,031	-
In second to fifth years inclusive	32,776	-
In the fifth year and beyond	-	-
	<u>128,807</u>	<u>-</u>

Operating lease payments represent rentals payable by the company for its office property and laboratory facilities. The laboratory lease is negotiated for a term of one year and the office lease is negotiated for a term of 2 years. Both rentals are fixed for these periods.

14 CONTINGENCIES

The company had no contingent liabilities at 31 March 2014.

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.

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

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

	2014		2013	
	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	3,610,000	13.01	1,050,000	29.2
Share options granted during the year	-	-	3,330,000	6.75
Share options lapsed during the year	1,790,000	6.70	770,000	11.19
Outstanding at the end of the year	<u>1,820,000</u>	<u>14.40</u>	<u>3,610,000</u>	<u>13.01</u>

The options outstanding at 31 March 2014 had a weighted average exercise price of 14.40p and a weighted average remaining contractual life of 6.1 years.

The number of options exercisable at 31 March 2014 is 1,820,000 (2013: 3,610,000).

At 31 March 2014 there were options outstanding over 1,820,000 (2013: 3,610,000) ordinary shares of 0.25p each which are exercisable at prices in the range from 6.75p to 59p under the company's various share option scheme exercisable at various times until 5 July 2022.

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

	2014 £	2013 £
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2014 £	2013 £
Allotted, called up and fully paid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

18 RESERVES

PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
At 1 April	(7,210,645)	(6,392,092)
Loss for the financial year	(750,464)	(818,553)
At 31 March	<u>(7,961,109)</u>	<u>(7,210,645)</u>

CAPITAL CONTRIBUTION RESERVE

	2014 £	2013 £
At 1 April	220,792	220,792
At 31 March	<u>220,792</u>	<u>220,792</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £	2013 £
Loss for the financial year	(750,464)	(818,553)
Net increase in shareholder's deficit	(750,464)	(818,553)
Opening shareholder's deficit	(6,989,851)	(6,171,298)
Closing shareholder's deficit	<u>(7,740,315)</u>	<u>(6,989,851)</u>

20 PARENT UNDERTAKING

The company's parent undertaking is Byotrol plc. This is the largest and smallest group for which consolidated results are presented and of which the company is included. Copies of its consolidated financial statements, which include the company, are available from Riverside Works, Collyhurst Road, Manchester, M40 7RU.

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.