

Byotrol Technology Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2018



Byotrol Technology Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Traynor
T Francis

SECRETARY

D Keenan

REGISTERED OFFICE

Riverside Works
Collyhurst Road
Manchester
M40 7RU

AUDITOR

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

BANKERS

Barclays Bank plc.
3 Hardman Street
Manchester
M3 3HF

SOLICITORS

Field Fisher Waterhouse LLP
35 Vine Street
London
EC3N 2AA

Byotrol Technology Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Byotrol Technology Limited for the year ended 31 March 2018.

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 Traynor
T Francis

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 held office on the date of approval of this directors' report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- 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 have prepared projected cash flow information for the period ending 12 months from the date of approval of these financial statements. These projections include assumptions around the quantum and timing of receipts from customers. Sensitivity analysis has been performed to take into account the variation in the timing and the quantum of the new business opportunities. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting.

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

The auditor, Mazars LLP, will be proposed for reappointment in accordance with the Companies Act 2006 s485.

SMALL COMPANY REGIME

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the board on 7 May 2019 and signed on its behalf.

On behalf of the board

D Traynor

Director

7th May 2019

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), including Financial Reporting 102 Section 1A 'The Financial Reporting Standard in the UK and Republic of Ireland' 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 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

Opinion

We have audited the financial statements of Byotrol Technology Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

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

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.

Timothy Hudson (Senior Statutory Auditor)
for and on behalf of Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Date:

Byotrol Technology Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2018

		2018	2017
	Notes	£	£
TURNOVER	1	1,635,270	2,974,822
Cost of sales		(1,115,901)	(1,374,060)
Gross profit		519,369	1,600,762
Administrative expenses		(1,299,498)	(1,033,419)
OPERATING (LOSS) / PROFIT	2	(780,129)	567,343
Interest payable and similar charges	5	-	(26)
Research and development (R & D) tax credits		129,025	65,435
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(651,104)	632,753
Taxation	6	-	-
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(651,104)	632,752

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

There were no gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2018 or 2017.

Byotrol Technology Limited

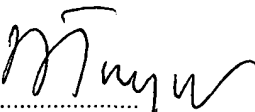
BALANCE SHEET

31 March 2018

Company Registration No: 05469392

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	7	44,478	44,067
Intangible assets	8	128,664	198,792
		<u>173,142</u>	<u>242,859</u>
CURRENT ASSETS			
Stocks	9	183,104	200,795
Debtors	10	870,781	739,568
Cash at bank and in hand		200,620	912,442
		<u>1,254,505</u>	<u>1,852,805</u>
CREDITORS			
Amounts falling due within one year	11	(9,416,432)	(9,433,345)
NET CURRENT LIABILITIES		<u>(8,161,927)</u>	<u>(7,580,540)</u>
NET LIABILITIES		<u>(7,988,785)</u>	<u>(7,337,681)</u>
CAPITAL AND RESERVES			
Called up equity share capital	17	2	2
Capital contribution reserve		220,792	220,792
Profit and loss account		(8,209,579)	(7,558,475)
SHAREHOLDERS' DEFICIT		<u>(7,988,785)</u>	<u>(7,337,681)</u>

The financial statements on pages 8 to 18 which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006 Pt 15 (1) were approved by the board of directors and authorised for issue on 7 May 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 FRS 102 Section 1A – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

GOING CONCERN

As at 31 March 2018 the company had net liabilities of £7,988,785. 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 have prepared projected cash flow information for the period ending 12 months from the date of approval of these financial statements. These projections include assumptions around the quantum and timing of receipts from customers. Sensitivity analysis has been performed to take into account the variation in the timing and the quantum of the new business opportunities. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided and license fees and royalties earned in the normal course of business, net of discounts and other sales related taxes.

The company's principal revenue streams and their respective accounting treatments are as follows:

Product Sales

Sales of goods are recognised when the goods are delivered and the material risks and rewards of ownership have been transferred to a third party (subject to any reservation of title in the event of non-payment).

Royalty income

Royalty income from licensing agreements is recognised on an accrual basis in accordance with the substance of the relevant agreement and is based on receipt from the licensee of the relevant information to enable calculation of the royalty due.

Other licensing revenues

Other licensing revenues include revenues from milestone payments and from initial up-front payments to the company at inception of the license.

Milestone payments are sometimes made by a licensee to the company, contingent on achieving certain specific performance objectives. These payments are recognised on achievement of such milestones if the milestones are considered substantive or, if they are not considered substantive, are recognised over the period the company has the continuing performance objective. If milestone payments are creditable against future royalty payments, the milestone payments are deferred and released over the period in which the royalties are anticipated to be paid. Initial upfront payments are sometimes made to the company on entering into licensing agreements. Where these payments are non-refundable and non-creditable and the payments are not linked to specific and substantive ongoing performance objectives, these revenues are recognized as consideration for entering into the agreement when due. Where initial upfront payments are potentially refundable and/or creditable and are contingent on the company providing specific and substantive ongoing services, revenue is recognised over the duration of those services.

Byotrol Technology Limited

ACCOUNTING POLICIES

Other agreements

The company also enters into other forms of agreement including development agreements and joint marketing agreements. In those circumstances, payment schedules can have characteristics similar to licensing agreements, including initial upfront payments, milestone linked payments and success fees, including royalty payments. The company recognises revenue from such transactions using the same principles as for licensing agreements.

Sale of intellectual property

Sales of intellectual property are recognised as revenue transactions where considered to be in the normal course of business as a route to market. Sales are recognised when substantive risk and rewards of ownership are transferred.

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.

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:

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.

Cost comprises direct material cost, direct labour costs and overheads that have been incurred in bringing the stock to its present location and condition.

GOVERNMENT GRANTS

Income from government grants is credited to the Statement of Comprehensive Income as the relevant expenditure is incurred and paid.

Byotrol Technology Limited

ACCOUNTING POLICIES

PENSION COSTS

The company operates a defined contribution scheme whereby contributions are charged to the Statement of Comprehensive Income 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.

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 taken the optional exemption to not apply section 26 of FRS 102 to equity-settled share based payments that were granted before the date of transition.

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 2018

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:

	2018	2017
	£	£
United Kingdom	1,153,058	2,560,246
Rest of the World	482,212	414,576
	<u>1,635,270</u>	<u>2,974,822</u>

2 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2018	2017
	£	£
Government grant income	-	(53,000)
Research and development expenditure written off	273,453	265,346
Depreciation of fixed assets	18,769	15,504
Loss / (Profit) on disposal of fixed assets	(1,100)	139
Auditor's remuneration	5,100	5,100
Operating lease costs – Office rent	81,780	64,446
Net loss / (profit) on foreign currency translation	<u>5,420</u>	<u>(19,481)</u>

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:

	2018	2017
	No	No
Number of administrative & sales staff	8	9
Number of research & development staff	8	6
	<u>16</u>	<u>15</u>

The aggregate payroll costs of the above were:

	2018	2017
	£	£
Wages and salaries	613,976	594,945
Social security costs	67,363	65,235
Other pension costs	18,948	24,869
	<u>700,287</u>	<u>685,049</u>

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £	2017 £
Bank interest	-	26
	<u>-</u>	<u>26</u>

6 TAXATION ON ORDINARY ACTIVITIES

There is no tax charge as the company has utilised tax losses in the current year and incurred losses in the previous year.

The £nil charge for the year is reconciled to the loss per the Statement of Comprehensive Income as follows:

	2018 £	2017 £
(Loss) / Profit on ordinary activities before taxation	<u>(651,105)</u>	<u>632,752</u>
(Loss) / Profit on ordinary activities by rate of tax 20% (2017: 20%)	(123,710)	126,550
Expenses not deductible for tax purposes	5,161	1,637
Unrelieved tax losses	118,549	-
Tax losses utilised	-	(128,187)
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 £1,598,821 (2017: £1,480,272) 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 has not been met.

7 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 April 2017	61,189	19,240	74,710	155,139
Additions	13,120	-	6,059	19,179
Disposal	-	-	(28,964)	(28,964)
At 31 March 2018	<u>74,309</u>	<u>19,240</u>	<u>51,805</u>	<u>145,355</u>
Depreciation				
At 1 April 2017	48,322	19,240	43,510	111,072
Charge for the year	5,092	-	13,676	18,769
On disposal	-	-	(28,964)	(28,964)
At 31 March 2018	<u>53,414</u>	<u>19,240</u>	<u>28,223</u>	<u>100,877</u>
Net book value				
At 31 March 2018	<u>20,895</u>	<u>-</u>	<u>23,583</u>	<u>44,478</u>
At 31 March 2017	12,867	-	31,200	44,067

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

8 INTANGIBLE ASSETS

	Development Costs £	Total £
Cost		
At 1 April 2017	229,711	229,711
Additions	24,918	24,918
Disposals	(108,229)	(108,229)
At 31 March 2018	<u>146,400</u>	<u>146,400</u>
Amortisation		
At 1 April 2017	30,919	30,919
Charge for the year	22,972	22,972
Disposals	(36,155)	(36,155)
At 31 March 2018	<u>17,736</u>	<u>17,736</u>
Net book value		
At 31 March 2018	<u>128,664</u>	<u>128,664</u>
At 31 March 2017	<u>198,792</u>	<u>198,792</u>

During the year, intangible assets relating to development costs were sold and the net book value at the date of the sale was offset against revenue.

9 STOCK

	2018 £	2017 £
Raw materials	42,111	44,110
Finished goods	140,993	156,685
	<u>183,104</u>	<u>200,795</u>

10 DEBTORS

	2018 £	2017 £
Trade debtors	460,713	526,469
Amount owed by group undertaking	200,169	112,262
Other debtors	209,899	100,837
	<u>870,781</u>	<u>739,568</u>

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

11 CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	273,327	293,394
Amount owed to parent company	9,071,073	8,896,316
Amount owed to group undertaking	-	-
Other taxation and social security	-	215,019
Other creditors	72,032	28,616
	<u>9,416,432</u>	<u>9,433,345</u>

12 PENSIONS

The company operates a defined contribution pension scheme. Contributions are charged to Profit and Loss as they become payable in accordance with the rules of the scheme. At 31 March 2018, there were outstanding contributions of £Nil (2017: £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:

	2018	2017
	£	£
Amounts due:		
Within one year	34,075	74,965
In second to fifth years inclusive	-	-
In the fifth year and beyond	-	-
	<u>34,075</u>	<u>74,965</u>

Operating lease payments represent rentals payable by the company for its office property and laboratory facilities.

14 CONTINGENCIES

The company had no contingent liabilities at 31 March 2018.

15 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Byotrol plc, a company whose consolidated financial statements are publicly available and whose registered office is Riverside Works, Collyhurst Road, Manchester, M40 7RU.

Related party transactions relate to transactions with group companies only. These have not been disclosed in accordance with paragraph 33.5 of FRS 102.

Byotrol Technology Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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:

	2018		2017	
	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	9,067,500	4.23	8,772,500	5.24
Share options granted during the year	6,141,750	4.00	1,400,000	4.13
Share options lapsed during the year	(4,910,000)	4.42	(1,105,000)	4.19
Outstanding at the end of the year	<u>10,299,250</u>	<u>4.01</u>	<u>9,067,500</u>	<u>4.23</u>

The options outstanding at 31 March 2018 had a weighted average exercise price of 4.01p and a weighted average remaining contractual life of 6.5 years.

At 31 March 2018, there were options outstanding over 10,299,250 (2017: 9,067,500) ordinary shares of 0.25p each which are exercisable at prices in the range from 3.5p to 13p under the company's various share option scheme exercisable at various times until 9 May 2025.

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

	2018 £	2017 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2018 £	2017 £
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 2018

18 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.

19 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.

20 GENERAL INFORMATION

Byotrol Technology Limited ("the company") is a limited company incorporated in England and Wales. The principal activity of the company is the development, patenting and sale of products based on microbial technology.

Its registered office is Riverside Works, Collyhurst Road, Manchester, M40 7RU.