15 June 2015

Byotrol plc

UNAUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2015

Byotrol plc (‘Byotrol’, the ‘Company’ or the ‘Group’), the leading AIM listed anti-microbial hygiene company, is pleased to announce its unaudited final results for the 12 months ended 31 March 2015.

Highlights of the year include:

- Substantial improvement in financial performance
  - Headline revenue of £3,252k (2014: £3,126k). Excluding the substantial (and previously disclosed) one-off suspension payment from a US licensee in FYE 2014, underlying revenue has increased by over 20%.
  - Operating costs reduced further, by 21% to £1,565k (2014: £1,973k)
  - EBITDA loss (before exceptionals and share option charges) reduced to £418k (2014: £744k). Excluding the one-off payment referred to above, underlying EBITDA loss has been reduced by over £700k in the financial year, a reduction of over 60%

- Continued steady growth of Professional and Petcare businesses.

- Substantial improvements and investment in breadth and quality of technology
  - To fit new, oncoming EU regulatory and labelling regimes and to address US domestic markets
  - To increase product range away from original core Byotrol technology – new biocides and new formulations
  - Supported by range of new technical development partners across all three business segments

- New, peer-reviewed test protocol for long-lasting anti-microbial products now published by British Standards Institute and sponsored by Byotrol. The first of its kind in Europe and a key step in defending and growing our market position

- New marketing initiatives in Healthcare (particularly via a joint marketing agreement with ISS Facilities Services - Healthcare) and Consumer (via a series of technical development relationships with large chemical companies, including Solvay, the international chemical group)

Commenting on the results and prospects, David Traynor, Chief Executive of Byotrol, said:

We are pleased with progress this year. Financial performance is improving, our technology is now better in efficacy and breadth and we are building a network of high-quality partnerships in sales, marketing and product development. We expect to make further progress in all these areas in the coming year.

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Notes to Editors:

Byotrol plc (BYOT.L), quoted on AIM, is a leading anti-microbial technology company, operating globally in the Food, Industrial, Healthcare and Consumer sectors, providing a low toxicity product with a broad-based and long-lasting efficacy across all microbial classes; bacteria, viruses, fungi, moulds, mycobacteria and algae.

Powerful, long-lasting and gentle, Byotrol's products can be used stand alone or as an ingredient within existing products, where Byotrol can significantly improve their performance in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Founded in 2005, the Company has developed the technology that creates easier, safer and cleaner lives.

For more information, please go to www.byotrol.co.uk

Chairman's Statement

After a busy year which included a merger and a share placing, I might be expected to say that we have concentrated only on rationalisation and consolidation while we sort out legacy issues, invest the money and prepare ourselves for the future. I am pleased to say that we have had no such year at Byotrol.

We have indeed completed the rationalisation and reshaping of the combined Company, but we have spent just as much energy on our sales effort. An increase in like-for-like sales of 20% would normally be commendable enough but this was achieved against the backdrop of incredible upheaval in the European Regulations which govern the use of our products particularly in the food industry in the UK.

Matching our endeavours in sales was our effort in product development. The new regulations come with the burden of having to change the chemistry and labelling of most of our products. This is expensive, time-consuming and distracting. I am pleased to report that nearly all of the changes are now implemented, and I fully expect this to benefit our revenues.

When looking at Byotrol's 2014/2015 figures, we can apply a little arithmetic in order to assess our outlook. After deducting the technology costs we are at about the breakeven point. I choose to look at the technical spend as an investment for the future income stream that it should produce and on this basis, we are for the first time looking like a company that has come of age. In the next year our technical spend should be lower, or will at least be partly covered by Joint Development Agreements with partners and our revenues should continue to increase. The trajectory is visibly in the right direction.

Our changing landscape

Despite the huge regulatory cost which has now been expended, the overall effect is not necessarily negative. We consider that we are now ahead of our competitors in several areas. This technical advance should stand us in good stead and our knowledge and experience means that our customers are increasingly talking to us as the experts to listen to. Along with that dialogue comes trust followed by sales.

Another advantage of the changes is that there will be several competitors out there who may not be able to afford to comply with the new regime or who are late or incapable of effecting change. The immediate advantage is obvious and we are ready to absorb new business from our competitors. We have the technical expertise and management available to service higher sales.

Current Areas of focus

A fortuitous outcome from our efforts in developing new formulations is that we have improved the cleaning capability of our consumer liquids. Whereas our previous focus was on the anti-bacterial properties, we now have a world class product with superior cleaning properties, developed in conjunction with the international chemical group Solvay, which is also now supporting us in the commercialisation effort.

We encourage our scientific team to think with an inventive mind and occasionally a "Friday afternoon" idea turns out to be commercially interesting. It is important for the technical effort to be focused on meeting the demands of the business, but creative minds need to be, well, creative. An interest in the Company, the current market place and commercial reality does need to be occasionally balanced by some blue sky thinking. Just such an event has led to a new skin treatment product that has shown so much promise that we have applied for a patent. This product will have applications within our existing business for hand sanitisation, but will also have applications for health and medical purposes that are currently on the periphery of our core business. For those areas we will be seeking out partners to help commercialise this new addition to our range.

Last year we pointed to our Consumer division being an area of greater importance and this is an important step in that direction. As before, we point out that development work is slow and the outcome is uncertain, but when the income rolls in it is likely to be very significant.

New projects that have got underway recently include the partnership with ISS and I expect this pattern to continue. ISS enables us to access the NHS in a way that we simply cannot do on our own. It makes sense for a small company such as Byotrol to tie up with larger partners in this way and it is a credit to our team that they have the talent to forge such relationships.

We also hope to develop partnerships for our Environmental Protection Agency ("EPA") approved project in USA, to complement our existing agreement with Advanced Hygienics and several early stage discussions are underway.

Headwinds and Tailwinds

A Chairman is usually expected to talk about his Company in glowing terms and point out all of the many possible ways in which we are going to make more profit in the years to come. I am happy to do the same and would not be here unless I believed that our future was very promising. I would add that the Board, senior executives and indeed all of our employees share the same outlook.

I would like to take a little time just to balance the enthusiasm with some of the counter arguments. As shareholders you want to be able to accurately assess the value of your shares and an appreciation of the risks is important. Moreover you would probably feel happier if you knew that your Directors appreciated the risks inherent in running their particular business and that they are capable and prepared to tackle the problems.

I do remember a very sensible newspaper article by a well known entrepreneur that listed the 50 things that a CEO had to worry about on any given day and these apply to every business. No point in me listing such worries here, but the more interesting question is "what are the special risks that we face and what do we do about them in order to mitigate these risks?"

We have not been shy in pointing out our main worry which is Regulation. It was the topic of some discussion last year and is not likely to go away any time soon. We work in the food and health industries, both of which are highly regulated. The purpose of the regulations is to protect the consumer, and by and large this is effective. However, chemicals periodically fall out of favour, and not always for entirely scientific reasons. It is sometimes a matter of opinion which becomes noise which becomes concern which becomes interference from on high. We have little redress but have to accept the changes and the costs that come our way.

For us to remain in business, we have to adapt. When I first invested in Byotrol, I had imagined that it was such a safe product that we would not need to make changes for years to come, but I had not allowed for the European Union swaying of scientific opinion. It could happen again and we need to maintain a high level of technical expertise to stay ahead of the game. I am confident that our technical expertise is second to none in our chosen area.

The health industry is slow to make decisions. Mostly this conservative approach serves us well but when better products are introduced the delay in implementation is frustrating. Just having a better product is not enough, there is a really hard act to do in selling anything new to the health industry. We came to the conclusion that we are just too small to get traction here, and thus our partnership with ISS, which we hope to see develop significantly over the coming years.

Our customers require technical advice but do not pay for it. A simple fact of life, but a very onerous part of the bargain and it reduces our margins. This is especially true of the food preparation industry where a new or speciality chemical supplier such as ourselves has to provide the technical support for one chemical without having the revenues from a host of other basic chemicals to subsidise the effort. We have looked at supplying the full spectrum of chemicals but wish to remain focused on our speciality for now.

We are a small company. There are several aspects to this but I will touch on two important areas. Firstly, the costs of the senior management team and AIM listing are borne by a small sales figure, inevitably reducing our profitability. Secondly, small upsets can have a disproportionate effect. This might be from one client postponing an order, a supply problem for one product, or any one of the imaginable extraneous things that happen many times over to any business in the course of a year. We just do not have much slack to deal with these issues. Our defence against the unexpected has been our very adaptable management team, and hard work from all of our staff. On the other hand it will not be lost on our shareholders that a single big win will have a very beneficial effect on our finances.

Until recently I would have described Byotrol as a one product company. This is no longer the case but we do still have only one or two products in each segment that we operate in. The fact that we are now operating in so many segments, does tend to reduce the risk of a problem in any one area.

Incentive Scheme

During this financial year, the Board has put in place incentives for all employees, using our existing Approved (EMI) and Unapproved Schemes. The objectives of the Schemes are to attract and to retain our employees. The treatment for accounting purposes is in a world of its own. However the practical effect of any share option award is simple: it is a transfer of value from the shareholders to the Directors and employees.

It is a quirk of modern day Corporate Governance that shareholders may vote on many activities each year at the AGM but do not have any power, let alone oversight, in the process whereby their ownership of the Company can be diluted in favour of the employees. The Board believes that we have acted proportionately in carrying out this exercise and the details are set out in the Annual Report. The intricacies of the Annual Report can hide the full effect of the Share Options, so I will add my own perspective here for you to consider.

Prior to July 2014 options were outstanding over 8.2 million shares, equating to less than 4% of our issued share capital. Nearly all of these options were held by ex-employees and they have very little current value.

In July 2014 the Board awarded options over a total of 16.66 million shares to current employees and Directors. This equates to 7.5% of our current issued share capital of 225 million shares. The options are all exercisable at a strike price of 3.5p but vest in tranches depending on the share price reaching 5p, 7.5p or 10p. If we assume that all employees stay with us and that our share price rises to 10p and that they all choose to exercise their options awarded in July 2014 in full then it might be constructive to see what effect that has on our shareholders. The Company will receive cash of £581,000 and will issue 16.66 million shares. Now, assuming that the Company uses this money to buy back those shares in the market, then the number of new shares issued falls to 10.85 million, which means that our existing shareholders will have been diluted by 4.8%.

Just as important as the scenario where we all do well is to look at mediocre performance. No employee will benefit unless our share price reaches at least 5p, an increase of 66% over the price at which we raised funds in 2014. Even at that level the rewards to the employees are modest and the dilution to our shareholders is less than 1%. There is no free ride and in fact employees only benefit in a meaningful way if the shareholders do very well.

AGM

The percentage of our shareholders who take the time to vote each year is high and I am heartened to see this. I am just as pleased to see shareholders at our AGM. This year the Board have agreed to hold the AGM in our offices at Daresbury again, thereby giving shareholders an opportunity to see the whole company in action, and if any shareholder is interested they can be shown around our laboratory as part of their visit and as always we welcome the questions and suggestions from our shareholders. Please do come and see us at our AGM later in the summer.

Nicholas Martel
Chairman

Chief Executive's report

The past year has seen good progress for Byotrol, following on from our major restructuring towards the end of the prior financial year. Like-for-like sales are up, costs are down and EBITDA losses are narrowing nicely, especially in underlying trading terms.

The team has managed this despite a period of major regulatory change in our core markets, requiring a series of new product developments and reformulations (which I describe in more detail below). This has been time-consuming and expensive but we believe that our technical position across our whole portfolio is now stronger than ever before and that will really help us grow further in the coming year.

One important technical progression was that we have now had published by British Standards Institute a peer-reviewed and research-backed testing protocol for long-lasting anti-microbial products. This test is the first of its kind in the UK and will really help us to validate our product claims, defend ourselves against inferior products and challenge competitors.

Financial Overview

Our financial statements may be a little confusing for non-accountants, as they still bear the effects of the restatement made for the prior period and the skewing impact of a large one-off payment made by a US licencee to our consumer products subsidiary in H1 2014.

These factors obscure a significant improvement in underlying trading over the last year. Excluding (a) the substantial (and previously-disclosed) one-off licence suspension payment from a US licensee in FYE 2014 and (b) share option charges:

- Underlying revenue increased by over 20% to £3,252k
- Operating expenses before share-based compensation, decreased by 21% from £1,973k to £1,565k
- Underlying EBITDA loss reduced by over 60% to £418k
- Loss per share reduced by 42% from 0.60p to 0.35p.

Markets

Professional

Year on year revenues increased by 25% from £1,619k to £2,021k and gross profit by 141% from £234k to £563k.

We continue to improve the quality of earnings in this segment by focussing on a smaller number of higher volume customers, with a reduced number of products, and by introducing some limited price rises. These measures have brought some success, with a pleasing rise in repeat business, despite a very competitive market environment.

Within Professional we have been focussing primarily on the food manufacturing and services sector in the UK, building in particular on our products' superior and long-lasting abilities to kill and manage listeria – the cause of more deaths from food poisoning in the UK than any other foodborne bug.

As a response to recent – and upcoming - regulatory change we have introduced new formulations to our food customers with revised concentrations of our standard biocides and also with totally new active ingredients. This has needed substantial technical and marketing investment, especially on external testing to validate product claims, and indeed we expect to be spending more in the oncoming year, but we are pleased with the market response so far and are hoping to grow market share as a result.

In healthcare we have taken three key steps to improve the business. Firstly, and following the completion of successful trials in five UK hospitals, we have reached agreement with ISS Healthcare, part of the ISS Group, to enter into an exclusive supply and joint marketing agreement for long-lasting floor and surface cleaning products. This means that we will jointly be selling our products into the UK NHS for use by both ISS and NHS operatives. Projected sales are uncertain but we believe we now have the right partner to work with in UK healthcare.

Secondly we have agreed with Rentokil to turn our historic supply agreement into a focussed licence contract in washrooms and serviced offices under Rentokil Initial's Ultraprotect range of hand hygiene products. We believe this new focus will help both sales and margins.

Finally we are making good progress in developing a new combined anti-bacterial and sporicidal formulation in conjunction with a technical development partner that has an established salesforce in this area.

We continue to sell our Professional products into industrial and other sectors, but in the spirit of focus, now largely do so on a reactive basis.

Petcare

Year on year revenues increased markedly, by 30%, from £721k to £938k, with gross profit increasing by 40% from £209k to £ 293k.

We continue to work very well in in partnership with key accounts, namely pet speciality retailer Pets at Home and branded distributor Petface, the latter of which has now launched Byotrol products in several new territories with Tesco Central Europe.

Exports continue to grow steadily and we are starting to see progress in South Africa with a new licencee, Pharma Marketing International, who now sell the Pet Patrol brand into retail multiples; Spar, Game and Pick n Pay.

In our interim report (to 30 September 2014) we reported some quality issues with a supplier in China. These issues have now been resolved and the remedial costs have been absorbed.

Shareholders will note that gross margins in our petcare business have increased year on year from 29% to 31%. This reflects a policy of de-listing lower margin products.

Consumer

Headline year on year revenues fell substantially, by 63%, from £786k to £292k. However, excluding the previously-disclosed one-off licence suspension payment made by a US licencee to the Company in H1 2014, year on year revenues fell by 19%.

This was a difficult year in Consumer, impacted by UK supermarket price wars, by promotional activity of branded competitor products and of course by well-publicised issues at our main UK supermarket outlet. On top of this, our sales initiative in continental EU with the wipes manufacturer Albaad struggled in the face of EU regulatory change and our limited product range.

However we remain very upbeat about the potential in this segment and continue to expend sales and technical resource:

- The UK supermarket environment is improving – branded player promotions are lessening and high quality own-label activity is increasing. On this basis we have now agreed to extend by a further 12 months the licences in UK trigger sprays with Robert McBride plc.
- We have completed formulation work on a Byotrol based liquid disinfectant approved under EU regulatory rules that we can now market alongside our wipes product. This is a major step forward for the business; we are very excited about the prospects for this initiative.
- The process towards an EPA listing remains ongoing. It is taking longer than expected as we get into the complexity with the EPA and its nominated testing laboratories, but we still remain confident of passing the remaining tests. We continue to seek technical and commercial partners in the US to exploit the technology and have already agreed a small deal in the US domestic market with Oregon-based Advanced Hygienics to act as an agent for the new products. As part of that deal Advanced Hygienics is contributing to our EPA registration costs

Regulatory environment in Europe

The regulatory environment within Europe's biocides industry is changing significantly. At the core of this is the Biocide Products Regulations, under which the European Union is intending to harmonise the market in Europe for biocidal active substances and products containing them. This means industry participants will be required to (a) register all their formulations with the EU and (b) use only active ingredients specifically approved by the EU authorities.

Other new areas of regulation in the EU include specific guidelines for biocide use in the food industry and new labelling regimes for all chemical products according to potential hazard rather than assessment of risk. The timetable for full implementation is spread over a number of years although some rules have already come into force.

The costs of all these changes are still relatively unclear, especially for SMEs like ourselves, although they are likely to be substantial. However we have made good progress in absorbing the changes within our lean financial structure and have performed well in upgrading our products, reducing any product labelling issues and building alliances with chemical suppliers to support registration processes.

This upgrading process is ongoing, so we have also now hired into the company senior, dedicated regulatory resource to guide us through the process. Given the skill-set now in the company, we see the changes as an opportunity to build market share and indeed benefit from a widely-expected wave of consolidation in the biocides industry.

Board

In November we were pleased to announce the strengthening of our Board, with the addition of Dr Trevor Francis as an Executive Director and Chief Technology Officer. Dr Francis had been working as a consultant to the Company in various positions over the previous six years, particularly in consumer product development and commercialisation. Prior to joining Byotrol, Dr Francis spent 29 years at Unilever where he became Vice President of the Global R&D Homecare division and Head of the European Fabric Conditioners & Global Fragrance divisions. We have already benefited greatly from his presence – in patent development, in new product development, in building sales and technical alliances and in navigating through the new regulatory regimes.

Outlook

Whilst the year in review was by no means easy, we are pleased with what we have achieved. The financial performance is not yet where we need it to be, but it is steadily improving and the quality of our products is improving in leaps and bounds.

At the centre of these technical improvements is a fundamental rethink of our core technology, prompted by market demands and by regulatory change. Byotrol was for many years a single technology company, based on a combination of biocides and a silicone polymer. Having completed many strands of R&D work, we are now a multi-technology company with several chemistries, designed for – and tailored to - many different pockets of anti-microbial demand; we will make much more of this in our marketing in the coming year.

Having completed the majority of technical work, we are now turning more aggressively to sales, using our own resources and those from alliances, agents and exclusive partnerships. We would certainly like to expand our own in-house sales force substantially, but we will only increase overheads as sales and margins allow.

David Traynor
Chief Executive

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Note	2015	2014
		£	£
REVENUE	2	3,251,512	3,126,406
Cost of sales		(2,103,783)	(1,897,744)
GROSS PROFIT		1,147,729	1,228,662
Administrative expenses excluding depreciation and amortisation		(1,565,254)	(1,972,762)
Exceptional items		-	103,044
Share based payments		(107,750)	(29,703)
LOSS BEFORE INTEREST, DEPRECIATION, AMORTISATION AND TAX		(525,275)	(670,759)
Amortisation		(66,786)	(70,750)
Depreciation		(73,358)	(65,615)
Finance income		966	-
Finance costs		(84,207)	(29,325)
LOSS BEFORE TAX		(748,660)	(836,449)
Taxation		-	-
LOSS FOR THE FINANCIAL YEAR		(748,660)	(836,449)
(Loss)/profit attributable to:			
Owners of Parent		(748,660)	(986,144)
Non-controlling interest		-	149,695
		(748,660)	(836,449)
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Currency translation difference		(3,284)	(40,757)
Other comprehensive income/(expense)		(3,284)	(40,757)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(751,944)	(877,206)
Owners of the parent		(751,944)	(1,026,901)
Non-controlling interest		-	149,695
		(751,944)	(877,206)
Loss per share			
Basic and fully diluted loss per share – pence	3	(0.35)	(0.60)

The loss before income tax arises from the Group's continuing operations.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015

	2015	2014
	£	£
ASSETS		
Non-current assets		
Property, plant and equipment	46,364	118,680
Intangible assets	510,641	463,847
	557,005	582,527
Current assets		
Inventories	230,022	278,351
Trade and other receivables	926,890	762,113
Cash and cash equivalents	286,731	98,521
	1,443,643	1,138,985
TOTAL ASSETS	2,000,648	1,721,512
LIABILITIES		
Current liabilities		
Trade and other payables	850,159	1,101,759
	850,159	1,101,759
Long term liabilities		
Convertible loan notes	328,625	310,699
	328,625	310,699
Equity attributable to owners of the parent		
Share capital	562,587	458,420
Share premium account	21,639,595	20,586,758
Merger reserve	1,064,712	1,064,712
Other reserves	23,595	26,879
Retained deficit	(22,468,625)	(21,827,715)
	821,864	309,054
Non-controlling interests	-	-
TOTAL EQUITY	821,864	309,054
TOTAL EQUITY AND LIABILITIES	2,000,648	1,721,512

UNAUDITED CONSOLIDATED CHANGES IN EQUITY
for the year ended 31 March 2015

	Share Capital £	Share Premium £	Merger Reserve £	Other Reserves £	Retained earnings reserve £	Sub-total £	Non-controlling interests £	Total equity £
At as 1 April 2013	358,949	18,154,985	1,064,712	(1,665)	(18,299,075)	1,277,906	(613,147)	664,759
Loss for the year					(986,144)	(986,144)	149,695	(836,449)
Currency translation difference				(40,757)		(40,757)		(40,757)
Total comprehensive loss for the year	-	-	-	(40,757)	(986,144)	(1,026,901)	149,695	(877,206)
Share Issue	15,124	468,250				483,374		483,374
Share Issue Costs		(60,877)				(60,877)		(60,877)
Purchase of non-controlling interest	84,347	2,024,400			(2,572,199)	(463,452)	463,452	
Issue of convertible loan notes				69,301		69,301		69,301
Share based payments					29,703	29,703		29,703
Equity as at 31 March 2014	458,420	20,586,758	1,064,712	26,879	(21,827,715)	309,054	-	309,054
Loss for the year					(748,660)	(748,660)		(748,660)
Currency translation difference				(3,284)		(3,284)		(3,284)
Total comprehensive loss for the year				(3,284)	(748,660)	(751,944)		(751.944)
Share issue	104,167	1,145,833				1,250,000		1,250,000
Share issue costs		(92,996)				(92,996)		(92,996)
Share based payments					107,750	107,750		107,750
Equity as at 31 March 2015	562,587	21,639,595	1,064,712	23,595	(22,468,625)	821,864	-	821,864

UNAUDITED CONSOLIDATED CHANGES IN EQUITY
for the year ended 31 March 2015

Other reserves comprise of	Translation reserve £	Convertible loan note reserve £	Other reserves £
At 1 April 2013	(1,665)		(1,665)
Currency translation difference	(40,757)		(40,757)
Other comprehensive income			
	————	————	————
Total comprehensive income for the year	(40,757)		(40,757)
Issue of convertible loan notes		69,301	69,301
	————	————	————
Equity as at 31 March 2014	(42,422)	69,301	26,879
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Currency translation difference	(3,284)		(3,284)
	————	————	————
Total comprehensive income for the year	(3,284)		(3,284)
	————	————	————
Equity as at 31 March 2015	(45,706)	69,301	23,595
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UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2015

		2015	2014
		£	£
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year before tax		(748,660)	(836,449)
Adjustments for:			
Share based payments		107,750	29,703
Depreciation		73,357	65,615
Amortisation		66,787	70,750
Loss on disposal of property, plant and equipment		-	715
Loss on write off of intangible assets		-	80,362
Finance income		(966)	-
Finance costs		84,207	29,325
Loan forgiveness		-	(684,289)
Changes in working capital			
Decrease in inventories		48,329	232,586
(Increase) / decrease in trade and other receivables		(164,777)	294,210
(Decrease) in trade and other payables		(236,958)	(72,594)
CASH USED IN OPERATING ACTIVITIES		(770,931)	(790,064)
Income taxes credit received		-	-
NET CASH USED IN OPERATING ACTIVITIES		(770,931)	(790,066)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(1,041)	(107,445)
Proceeds from the sale of property, plant and equipment		-	-
Payments to acquire intangible assets		(113,581)	(135,580)
Finance income		966	-
NET CASH USED IN INVESTING ACTIVITIES		(113,656)	(243,025)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of ordinary shares		1,250,000	483,374
Share issue costs		(92,996)	(60,887)
Proceeds on issue of convertible loan notes		-	380,000
Interest paid		(84,207)	(29,325)
NET CASH INFLOW FROM FINANCING		1,072,797	773,172
Net increase / (decrease) in cash and cash equivalents		188,210	(259,919)
Cash & cash equivalents at the beginning of the financial year		98,521	358,440
Cash & cash equivalents at the end of the financial year		286,731	98,521

1 Basis of preparation

The financial statements have been prepared in accordance with the AIM rules and the basis of accounting policies set out in the accounts for the year ended 31 March 2014 and on the basis of all International Financial Reporting Standards ("IFRS") as adopted by the European Union that are expected to be applicable to the Group's statutory accounts for the year ended 31 March 2015. The financial statements are unaudited and were approved by the Directors on 12 June 2014. The information set out herein is abbreviated and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The results for the year ended 31 March 2014 are in abbreviated form and have been extracted from the published financial statements. These were audited and reported upon without qualification by Mazars LLP and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. Statutory accounts for the financial year ended 31 March 2014 have been filed with the Registrar of Companies.

The company is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The consolidated financial information of Byotrol plc is presented in Pounds Sterling (£), which is also the functional currency of the parent.

2 Segmental information

The Group has three reportable segments, being Professional (including food service, food manufacturing, industrial and health), Consumer and Pet. This disclosure correlates with the information which is presented to the Group's Chief Decision Maker, the Board. The Group’s revenue, result before taxation and net assets were all derived from its principal activities.

The first segment concerns the Professional sector incorporating business to business sales into food and beverage, healthcare and facilities management. The second segment concerns the consumer sector and primarily revenue generated from licence agreements with third parties for the manufacture and sale of products incorporating Byotrol technology. The third segment concerns the Pet sector, where finished goods are manufactured and sold into the companion animal sector.

The Group operates in different geographic locations. The revenue generated from the different geographic locations is analysed separately in the information below.

The Group’s centrally incurred administrative expenses, incorporating the ongoing research and development work, operating income and assets and liabilities cannot be allocated to individual segments.

	Continuing operations			
	Professional	Consumer	Pet	Total
Year ended 31 March 2015	£	£	£	£
REVENUE				
United Kingdom	1,811,812	226,009	716,194	2,754,015
North America	50,550	-	-	50,550
Rest of world	159,033	65,756	222,158	446,947
Total revenue	2,021,395	291,765	938,352	3,251,512
Cost of sales	(1,458,870)	-	(644,913)	(2,103,783)
Gross profit	562,525	291,765	293,439	1,147,729
Centrally incurred income and expenditure not attributable to individual segments				
Administrative costs				(1,565,254)
Exceptional administrative income				-
Depreciation and amortisation				(140,144)
Share based payments				(107,750)
Finance income				966
Finance costs				(66,281)
Loss before tax				(730,734)

2 Segmental information (continued)

	Continuing operations			
	Professional	Consumer	Pet	Total
12 months ended 31 March 2014	£	£	£	£
REVENUE				
United Kingdom	1,448,520	278,909	456,010	2,183,439
North America	76,099	451,613	-	527,712
Rest of world	94,900	55,239	265,116	415,255
Total revenue	1,619,519	785,761	721,126	3,126,406
Cost of sales	(1,385,745)	-	(511,999)	(1,897,744)
Gross profit	233,774	785,761	209,127	1,228,662
Central income and expenditure not attributable to individual segments				
Administrative costs				(1,972,762)
Exceptional items				103,044
Depreciation and amortisation				(136,365)
Share based payments				(29,703)
Finance income				-
Finance costs				(29,325)
Loss before tax				(836,449)

3 Loss per ordinary share

The loss per ordinary share attributable to the owners of the parent is based on the losses for the year ended of £748,660 (2014: £986,144) and the weighted average number of ordinary shares in issue during the year of 211,450,294 (2014:163,854,920).

The loss for the period and the weighted average number of ordinary shares for calculating the diluted earnings per share for the year ended 31 March 2015 and for the comparative periods are identical to those used for the basic earnings per share. This is because the outstanding share options and convertible loan notes would have the effect of reducing the loss per ordinary share and would therefore not be dilutive.

4 Taxation

No liability to UK corporation or overseas income taxes arises for the period due to losses incurred. The Directors have assessed the position in relation to deferred tax and concluded that no provision or asset should be created at this stage in respect of deferred tax in view of the timescale and uncertainty of the recovery of tax losses. This position will be reviewed again at 30 September 2015.

5 Report and Financial Information

It is intended that copies of the financial statements for the Group for the year ended 31 March 2015 will be posted to shareholders and on the Company’s website during the course of July.