7 December 2020

Byotrol Plc

("Byotrol" or the "Group")

Interim results

Byotrol Plc (AIM: BYOT), the specialist infection prevention and control company, is pleased to announce today its interim results for the six months ended 30 September 2020.

Highlights

Significant improvement in financial performance:

- Sales trebled to £6.7m compared to £2.2m in H1 2020 (and £6.1m for the full year to 31 March 2020)
- Gross profit on product sales increased to £2.3m from £0.9m
- Adjusted EBITDA* increased to £1.2m compared to a loss of £0.4m in H1 2020
- Net cash and cash equivalents of £1.7m at period end after substantial investment in stock
- Balance sheet strengthened by repayment of all financial debt

All strategic initiatives progressing to plan:

- Completion of licensing-out of Byotrol24 surface sanitizer to Integrated Resources Inc. in the US - expected to provide significant returns to Byotrol for minimal ongoing US costs
- Solvay has globally launched Actizone 24 hour surface sanitizer, referring to it as a "blockbuster technology"
- Grant of £350,000 secured for seaweed research programme

Market demand for our products remains high and we continue to expect future demand to settle substantially above pre-COVID levels. The outlook for our industry is highly positive and Byotrol's positioning within it remains very strong.

John Langlands, non-executive Chairman of Byotrol commented:

"*This was a very strong first half performance. The business has delivered sustainable profits, benefitting from our long term strategy and of course the significant demand for our infection control products arising from the COVID-19 pandemic. Our employees all delivered under very difficult circumstances as we faced restrictions in movement and shortages in raw materials.*

Byotrol remains extremely well positioned to benefit from the long term demand for infection control products both during and following the pandemic"

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This announcement is released by Byotrol Plc and, prior to publication, the information contained herein was deemed to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014. Such information is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person who arranged for the release of this announcement on behalf of Byotrol Plc was Nic Hellyer, CFO.

* Adjusted EBITDA is defined as Earnings before Interest, Tax, Depreciation and Amortisation and exceptional items, plus revenue recognised as interest under IFRS 15

Notes to editors

Byotrol plc (BYOT.L), quoted on AIM, is a specialist infection prevention and control company, operating globally in the Healthcare, Industrial, Food and Consumer sectors, providing low toxicity products with a broad-based and targeted efficacy across all microbial classes; bacteria, viruses (including coronavirus), fungi, moulds, mycobacteria and algae.

Byotrol's products can be used stand-alone or as ingredients within existing products, where they can significantly improve their performance, especially in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Byotrol develops and commercialises technologies that create easier, safer and cleaner lives for everyone.

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

Chief Executive's report and financial review

Byotrol continues to develop rapidly, with improvements being made across all key business performance indicators.

Our financial performance in the period has obviously been boosted by the COVID-19 outbreak, as has the outlook for the rest of the year. The Directors have long identified the need for high performance biocides against viruses and have been steadily positioning for changes in infection control markets for many years; whilst COVID-19 could not have been expected, in our view its impact is accelerating and increasing the size of the opportunity rather than introducing something completely new. Biocides are now recognised globally as important things that can help protect lives and our societies in tandem with vaccines, drugs and hygiene practices.

Financial highlights

- Sales trebled to £6.7m compared to £2.2m in H1 2020
- Adjusted EBITDA (our key long-term management target) increased to £1.2m compared to a loss of around £0.4m in H1 2020
- Operating profit increased to c. £1.0m compared to an operating loss of £0.5m in H1 2020
- Result include £0.6m of royalty and licensing income
- Net cash of £1.7m at period end, compared to £1.4m at 31 March 2020, after repaying all borrowings and investing significantly in stocks both to satisfy customer demand and provide a buffer for Brexit

Our strong financial performance has been achieved with relatively small increases in underlying costs - cash operating costs in the period increased to around £1.9m compared to around £1.5m in the comparable period, validating our commercial strategy to maximise Byotrol's operating gearing and hence long term flexibility. This, combined with the large amount of optionality that we are steadily building into the business via licensing and technical development agreements, should make for excellent returns as we grow further.

All strategic initiatives continue to progress well and some key long-term projects have now been completed successfully, especially the licensing out of our EPA registered Byotrol24 surface sanitiser in the US and a resulting reduction of costs in the US to a negligible level.

Research and development

Our research programme continues on several fronts and is making particularly good progress in investigating seaweed as a sustainable but effective biocide. This is an area of huge interest in our industry at the moment and we believe we have a lead in a technology with excellent commercial potential in our core sanitising markets and elsewhere. We were very pleased to have been awarded a £350,000 UK Innovate grant in September 2020 to investigate the mode of action of the extracts in achieving the excellent anti-viral performance we have discovered in our own lab testing to date.

Prior to period end we finalised the readiness of a dedicated virology lab in our head office in Thornton Science Park, Cheshire, staffed by two specialist virologists. This is a very important investment for the Group and we believe will provide significant returns to the Group in the long-term. In total the Group invested some £138,000 across its technology portfolio in the period (H1 2020: £123,000).

Results by segment

Professional

H1 revenues increased to £5.66m from £1.77m, including £0.59m of royalty and licensing revenue compared to £35,000 in the comparable period. Gross profit on product sales (excluding license revenue) increased to £1.86m from £0.71m.

Product mix remained broadly consistent, whilst customer mix varied slightly in this period as sales into veterinary groups were held back due to temporary practice closures during lockdowns, although we are already seeing vets now go back towards normal buying profiles. Over the period some 70% of our product sales were into human health environments, of which 17% was under Medical Device Directive rules in the UK and EU.

The Group's efforts (across management, sales, technology and supply chain) have been largely focused on servicing existing Professional customers' heightened demand, within periods of variable supply caused by interruptions in the national flows of packaging and materials. A particular difficulty in the early days of the pandemic was sourcing plastic bottles and pump dispensers, the majority of which originate in China. Supplier prices in the period fluctuated wildly and in certain cases we had to absorb short term increases to keep the supply going - this resulted in the Professional gross margin on product sales slipping to 37% compared to 41% in the comparable period, all based on outsourced manufacturing. The supply chain has now largely returned to pre-COVID normality. I am very pleased with the team's response to the crisis and with the results achieved

We have also been doing what we can for the community by servicing emergency and medical services alongside long-standing customers but above all other new segments. We have also been trying where appropriate to keep our prices stable, although of course we have increased prices where supply chain changes and costs demand it, or when we have a new niche to pursue where the value equation still works for the customer, such as the AIRGENE Aerosol Disinfectant Cannister which has proved popular in clinical environments.

In licensing and IP sales we have also made further progress, and we continue to work on many new opportunities worldwide. Of the current agreements in place, the two most notable progressions are:

- Solvay has now launched globally Actizone, the long-lasting antimicrobial surface sanitiser that Byotrol co-developed and that will pay Byotrol an ongoing commission on all Solvay sales. It was pleasing to hear the Solvay CEO describe this as a "potential blockbuster" technology on Solvay's recent investor calls. We are expecting to report our first sales-based income from this relationship in FY22 and believe it will cover both Professional and Consumer markets worldwide;

- On 13 May 2020 we signed a license agreement with Integrated Resources Inc., a newly-formed associate of our hand sanitiser licensee in the US, over the Byotrol24 surface sanitiser. The agreement will pay us a royalty payment each year, underpinned by minimum guarantees. If they are successful, we will benefit from significantly lower costs to shareholders than continuing to operate in the US by ourselves with minimal resource. We are very encouraged by progress so far and expect further news on deal flow this financial year

Consumer

H1 revenues more than doubled to £1.01m from £0.41m, including a small amount of IP-based income, versus nil IP income in the comparable period. Gross profit (on products) increased to £0.43m from £0.17m. Resource invested in Consumer remains relatively light compared to Professional, which in the period was taking up the majority of our management and supply chain capacity.

One particular success was working with Boots to increase our alcohol-free, anti-viral hand sanitising foam into all 2,500 Boots UK stores. We are now looking to build on our retail and direct-to-consumer presence and have a variety of internal projects underway to formulate how best to do that with exactly what product proposition.

Elsewhere, sales across existing customers all increased in this segment, especially into Japan via our long-standing agents in pet and healthcare.

Balance sheet

Given the hugely increased sales, we have necessarily increased our investment in working capital: long-term trade receivables have increased from £0.71m at the end of FY20 to £1.1m at the end of H121 as a result of long-term IP licensing deals signed; although short-term debtors (largely arising from product sales) reduced marginally from £2.2m to £2.1m (in part due to the £0.3m under a licensing deal which was due on 31 March 2020 but paid after the year end and hence appeared in debtors). Trade and other payables increased concomitantly from £1.3m to £1.7m; notably, however, we used the significantly increased cash flow to repay all Group borrowings, with a consequent saving in finance and other charges of c. £40,000 on an annualised basis. Cash remains strong at over £1.7m (FY20: £1.4m net), notwithstanding an incremental investment of around £0.9m in stock.

Outlook

This was an extraordinary six months and we think the post COVID-19 world will look significantly different compared to pre-COVID. Notwithstanding that vaccines seem to be close to readiness, we expect sales to settle at levels significantly higher than pre-COVID, and our order book remains consistently higher now than at any other point in our history.

Our commercial opportunity has certainly increased in magnitude and continues to be supported by the changes we have been talking about for many years – increasing global demand, reduced supply as regulations bite and resultant industry structural change. However, we can now add to that a new awareness of the damage viruses can do if uncontained, and an increasing understanding of the risks that individuals and society run if not protecting themselves proactively. The opportunities for growth are now numerous and sizeable.

Within Byotrol we have effectively gone through several years of growth in 8 months and have had one eye at all times on scaling in a controlled way that supports long-term growth. We have done all this whilst the team has been working within the lockdown rules, at their most stringent in the north-west UK where our labs and many staff are based. Despite these constraints we have made significant changes to our team, management structure, processes and supply chain and have now started investing in marketing, advertising and promotion, PR and product proposition development research. We will report more on those initiatives at the year end.

We are pleased that the financial returns on our investments are now starting to come through – as shown by these interim results - and we remain very confident for our year end results We are now carefully investing some of the returns in Byotrol's future and remain very confident in our outlook. These are exciting times for all Byotrol stakeholders and we look forward to further progress in 2021 and beyond.

David Traynor
Chief Executive

Group statement of comprehensive income

	Note	6 months to 30 September 2020 £'000 *(unaudited)*	6 months to 30 September 2019 £'000 *(unaudited)*	Year to 31 March 2020 £'000 *(audited)*
Revenue	2	**6,673**	**2,174**	**6,069**
Cost of sales		(3,777)	(1,259)	(3,179)
Gross profit		**2,896**	**915**	**2,890**
Adjusted administrative expenses		(1,815)	(1,423)	(2,920)
Adjusted operating profit/(loss)		**1,081**	**(508)**	**(30)**
Exceptional items		-	142	382
Amortisation of acquisition-related intangibles		(121)	(146)	(279)
Share-based payments		(10)	(25)	(47)
Operating (loss)/profit		**950**	**(537)**	**26**
Finance income	4	27	14	59
Finance expense	5	(18)	(101)	(128)
Profit/(loss) before taxation		**959**	**(624)**	**(43)**
Income tax credit/(expense)		48	(11)	377
PROFIT/(LOSS) FOR THE PERIOD		**1,007**	**(635)**	**334**
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences		(29)	(4)	7
Other comprehensive income/(expense), net of tax		**(29)**	**(4)**	**7**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**978**	**(639)**	**359**
Earnings per share				
Basic	6	0.23p	(0.15p)	0.08p
Diluted	6	0.22p	(0.15p)	0.08p

Group statement of financial position

	Note	As at 30 September 2020 £'000 *(unaudited)*	As at 30 September 2019 £'000 *(unaudited)*	As at 31 March 2020 £'000 *(audited)*
Assets				
Non-current assets				
Intangible assets	7	3,625	3,782	3,691
Tangible assets		57	66	54
Right-of-use assets	8	50	80	69
Deferred tax assets		431	-	431
Trade receivables		1,082	-	714
		5,245	**3,928**	**4,959**
Current assets				
Inventories		1,146	384	285
Trade and other receivables		2,073	1,714	2,185
Cash and cash equivalents		1,755	2,007	1,712
		4,974	**4,105**	**4,182**
Total assets		**10,219**	**8,033**	**9,141**
Liabilities				
Non-current liabilities				
Lease liabilities	10	16	42	31
Deferred tax liabilities		371	421	394
		387	463	425
Current liabilities				
Lease liabilities	10	33	40	39
Other financial liabilities		-	752	-
Trade and other payables		1,671	817	1,319
Short-term borrowings	9	-	168	296
		1,704	1,777	1,654
Total liabilities		2,091	2,240	2,079
NET ASSETS		**8,128**	**5,793**	**7,062**
Issued share capital and reserves				
Share capital		1,107	1,077	1,101
Share premium		28,493	28,282	28,423
Merger reserve		1,065	1,065	1,065
Retained earnings		(22,537)	(24,631)	(23,527)
TOTAL EQUITY		**8,128**	**5,793**	**7,062**

Group statement of cash flows

	6 months to 30 September 2020 £'000 *(unaudited)*	6 months to 30 September 2019 £'000 *(unaudited)*	Year to 31 March 2020 £'000 *(audited)*
Cash flows from operating activities			
Profit/(loss) for the period	1,007	(635)	334
Adjustments for:			
Finance income	(27)	(14)	(59)
Finance costs	18	101	128
Depreciation of tangible non-current assets	12	33	28
Amortisation of intangible non-current assets	203	203	467
Income tax recognised in profit or loss	(48)	11	(377)
Fair value adjustment on contingent consideration	-	(142)	(363)
Share-based payments	10	25	47
Operating cash flows before movements in working capital	***1,175***	***(418)***	***205***
(Increase)/decrease in trade and other receivables	(315)	258	(995)
(Increase)/decrease in inventories	(860)	32	(131)
Increase/(decrease) in trade and other payables	533	(408)	202
Cash (used in)/generated from operating activities	***533***	***(536)***	***(457)***
Income tax refund received	25	-	-
Net cash (used in)/generated from operating activities	**558**	**(536)**	**(457)**
Cash flows from investing activities			
Development of intangible assets	(138)	(123)	(295)
Acquisition of property, plant and equipment	(14)	(21)	(24)
Cash (outflow) on acquisition of subsidiaries net of cash acquired	-	-	(290)
Net cash used in investing activities	**(152)**	**(144)**	**(609)**
Cash flows from financing activities			
Movement in invoice discounting facility	(296)	(77)	51
Repayments of principal on lease liabilities	(21)	(20)	(39)
Interest expense on lease liabilities	(1)	-	(3)
Finance income	-	14	6
Finance costs	(18)	(23)	(142)
Net cash (used in)/ generated by financing activities	**(336)**	**(106)**	**(27)**
Net (decrease)/increase in cash and cash equivalents	70	**(786)**	**(1,093)**
Net foreign exchange differences	(27)	(4)	8
Cash and equivalent at beginning of period	1,712	2,797	2,797
Cash and cash equivalents at end of period	**1,755**	**2,007**	**1,712**

Group statement of changes in equity

	Share capital	Share premium	Merger reserve	Retained profits	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Balance at 31 March 2019	**1,077**	**28,282**	**1,065**	**(24,015)**	**6,409**
Effect of change of accounting policy (IFRS 16)	-	-	-	(1)	(1)
Balance at 31 March 2019 as restated	**1,077**	**28,282**	**1,065**	**(24,016)**	**6,408**
Profit/(loss) after taxation for the period	-	-	-	(635)	(635)
Share-based payments	-	-	-	25	25
Other comprehensive income:					
Exchange differences	-	-	-	(4)	(4)
Balance at 30 September 2019	**1,077**	**28,282**	**1,065**	**(24,631)**	**5,793**
Profit after taxation for the period	-	-	-	967	967
Other comprehensive income:					
Deferred tax on share-based payment transactions	-	-	-	101	101
Exchange differences	-	-	-	11	11
Share-based payments	-	-	-	25	25
Transactions with owners:					
Shares issued as part of a business combination	24	141	-	-	165
Balance at 31 March 2020	**1,101**	**28,423**	**1,065**	**(23,527)**	**7,062**
Profit/(loss) after taxation for the period	-	-	-	1,007	1,007
Share-based payments	-	-	-	10	10
Other comprehensive income:					
Exchange differences	-	-	-	(27)	(27)
Transactions with owners:					
Shares issued for cash	6	70	-	-	76
Balance at 30 September 2020	**1,107**	**28,493**	**1,065**	**(22,537)**	**8,128**

Notes to the Group financial statements

1 Basis of preparation

The Group has prepared its interim financial statements for the 6 months ended 30 September 2020 (the "interim results") in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as adopted by the European Union and also in accordance with the recognition and measurement principles of IFRS issued by the International Accounting Standards Board, but do not include all the disclosures that would otherwise be required. They have been prepared under the historical cost convention as modified to include the revaluation of certain non-current assets. The accounting policies adopted in the interim financial statements are consistent with those adopted in the Group's Annual Report and Financial Statements for the year ended 31 March 2020 and those which will be adopted in the preparation of the annual report for the year ending 31 March 2021.

As permitted, the interim results have been prepared in accordance with the AIM Rules of the London Stock Exchange and not in accordance with *IAS34 Interim Financial Reporting*. They do not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited.

Going concern

The Directors have considered trading and cash flow forecasts prepared for the Group, and based on these are satisfied that the Group will continue to be able to meet its liabilities as they fall due for at least one year from the date of these results. On this basis, they consider it appropriate to have adopted the going concern basis in the preparation of the interim results, which were approved by the Board of Directors on 6 December 2020.

Comparative financial information

The comparative financial information presented herein for the year ended 31 March 2020 does not constitute full statutory accounts for that period. The statutory accounts for the year ended 31 March 2020 carried an unqualified Auditor's Report, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2 Segmental analysis

6 months ended 30 September 2020

	Professional	Consumer	Total
Revenue	**£'000**	**£'000**	**£'000**
Product sales	5,067	997	6,064
Royalty and licensing income	591	18	609
Total revenue	**5,658**	**1,015**	**6,673**
Gross profit			
Product sales	1,856	431	2,287
Royalty and licensing income	591	18	609
Total gross profit	**2,447**	**449**	**2,896**

6 months ended 30 September 2019

	Professional £'000	Consumer £'000	Total £'000
Revenue			
Product sales	1,730	409	2,139
Royalty and licensing income	35	-	35
Total revenue	**1,765**	**409**	**2,174**
Gross profit			
Product sales	709	171	880
Royalty and licensing income	35	-	35
Total gross profit	**744**	**171**	**915**

Revenue by geography

The Group recognises revenue in 3 geographical regions based on the location of customers, as follows:

6 months ended 30 September 2020

	Professional £'000	Consumer £'000	Total £'000
United Kingdom	4,542	456	4,998
North America	445	-	445
Rest of World	671	559	1,230
Total revenue	**5,658**	**1,015**	**6,673**

6 months ended 30 September 2019

	Professional £'000	Consumer £'000	Total £'000
United Kingdom	1,483	168	1,651
North America	-	29	29
Rest of World	282	212	494
Total revenue	**1,765**	**409**	**2,174**

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

License revenue and finance income

License contracts (and certain other contracts relating to the sale of IP) typically provide for fixed payments to be made by customers over a given term (typically between three and five years but which may extend longer). Under IFRS 15, in order to reflect the time value of money, such contracts are recognised as the capitalised value of the income stream plus notional interest accruing for the year on the credit deemed to be extended to the customer (on a reducing balance basis). For the 6 months to 30 September 2020 this figure amounts to license revenue of £0.38m and related notional interest income of £27,000.

3 Non-GAAP profit measures and exceptional items

Reconciliation of operating profit to adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation):

	6 months to 30 September 2020 £'000	6 months to 30 September 2019 £'000	Year to 31 March 2020 £'000
Operating profit/(loss)	**950**	**(537)**	**26**
Adjusted for:			
Amortisation and depreciation	215	236	495
Revenue recognised as interest under IFRS 15	27	10	33
Exceptional items:			
- gain on adjustment of contingent liability	-	(142)	(443)
- audit expenses relating to 2019	-	31	61
Expensed share-based payments	10	25	47
Adjusted EBITDA	**1,202**	**(377)**	**219**

The criterion for adjusting items in the calculation of adjusted EBITDA is operating income or expenses that are material and either (i) arise from an irregular and significant event or (ii) are such that the income/cost is recognised in a pattern that is unrelated to the resulting operational performance. Materiality is defined as an amount which, to a user, would influence decision-making based on, and understandability of, the financial statements. Adjustment for share-based payment expense is made because, once the cost has been calculated, the Directors cannot influence the share based payment charge incurred in subsequent years, and the value of the share option to the employee differs considerably in value and timing from the actual cash cost to the Group.

Exceptional items are treated as exceptional by reason of their size or nature and are excluded from the calculation of adjusted EBITDA (and adjusted earnings per ordinary share) to allow a better understanding of comparable year-on-year trading and thereby an assessment of the underlying trends in the Group's financial performance. These measures also provide consistency with the Group's internal management reporting.

Adjusted EPS

The calculation of adjusted EPS is shown in Note 6.

4 Finance income

	6 months to 30 September 2020 £'000	6 months to 30 September 2019 £'000	Year to 31 March 2020 £'000
Interest receivable on interest-bearing deposits	-	4	26
Finance income arising from unwinding of discounting of discounted trade receivables	27	10	33
Total finance income	**27**	**14**	**59**

5 Finance expense

	6 months to 30 September 2020 £'000	6 months to 30 September 2019 £'000	Year to 31 March 2020 £'000
Interest and finance charges paid or payable on borrowings	17	23	45
Interest on lease liabilities under IFRS 16	1	1	3
Acquisition-related financing expense - unwinding of discount on financial liabilities	-	77	80
Total finance expense	**18**	**101**	**128**

6 Earnings per share

Earnings per share - reported ("EPS")

The calculation of basic and diluted EPS is based on the following data:

	6 months to 30 September 2020 £'000	6 months to 30 September 2019 £'000	Year to 31 March 2020 £'000
Profit attributable to equity holders of the parent:			
Profit attributable to ordinary equity holders of the parent for basic earnings	1,007	(635)	**334**
Weighted number of ordinary shares in issue	441,345,756	430,885,271	432,424,400
Effect of dilutive potential ordinary shares	9,665,218	-	703,183
	451,010,974	430,885,271	433,127,583
Earnings per share attributable to shareholders - basic	**0.23p**	**(0.15p)**	**0.08p**
Earnings per share attributable to shareholders - diluted	**0.22p**	**(0.15p)**	**0.08p**

The Group has one category of potentially dilutive ordinary share, being those share options granted to employees where the exercise price (plus the remaining expected charge to profit under IFRS 2) is less than the average price of the Company's ordinary shares during the period. The weighted average number of shares for the calculation of diluted earnings per share is computed using the treasury share method.

Adjusted earnings per share

The calculation of basic and diluted adjusted EPS is based on the following data:

	6 months to 30 September 2020 £'000	6 months to 30 September 2019 £'000	Year to 31 March 2020 £'000
Profit attributable to ordinary equity holders of the parent for basic earnings	**1,007**	**(635)**	**334**
Adjusting items:			
- exceptional items	-	(142)	(382)
- share-based payments	10	25	47
- finance expense on liabilities relating to contingent consideration	-	77	80
- amortisation of acquisition-related intangibles	121	146	243
- deferred tax credit arising from acquisition-related intangibles	(48)	(11)	(47)
- exceptional tax credit	-	-	(377)
Adjusted earnings attributable to owners of the Parent	**1,090**	**(540)**	**(102)**
Weighted number of ordinary shares in issue			
- basic	441,345,756	430,885,271	432,424,400
- diluted	451,010,974	430,885,271	433,127,583
Adjusted earnings per share attributable to shareholders			
- basic	**0.25p**	**(0.01)p**	**(0.02)p**
- diluted	**0.24p**	**(0.01)p**	**(0.02)p**

The criteria for inclusion of adjusting items in the calculation of adjusted EPS are the same as those relating to the calculation of adjusted EBITDA as set out in Note 3. Additionally, finance expense on liabilities relating to contingent consideration are non-cash costs reflecting the time value of money in arriving at the fair value of such liabilities and the effluxion of time over the period for which they are outstanding. Amortisation of acquisition-related intangibles (and the associated tax credit) relates to the amortisation of intangible assets in respect of customer relationships and brands which are recognised on a business combination and are non-cash in nature.

7 Intangible assets

Intangible assets comprise capitalised development costs, acquired software, customer relationships and goodwill.

	Goodwill	Other Intangible Assets	**Total**
	£'000	£'000	£'000
Cost			
At 1 April 2020	502	4,529	**5,031**
Additions	-	138	**138**
At 30 September 2020	502	4,667	**5,169**
Amortisation or impairment			
At 1 April 2020	-	(1,340)	**(1,340)**
Charge for the period	-	(204)	**(204)**
At 30 September 2020	-	(1,544)	**(1,544)**
Net carrying amount			
At 30 September 2020	**502**	**3,123**	**3,625**
At 1 April 2020	502	3,189	**3,691**

Other Intangible Assets comprise:

	Framework Access Rights	Customer Relationships	Brands	Development Costs	Patents and licenses	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2020	114	1,861	567	1,207	780	**4,529**
Additions	-	-	-	97	41	**138**
At 30 September 2020	114	1,861	567	1,304	821	**4,667**
Amortisation or impairment						
At 1 April 2020	(114)	(299)	(91)	(271)	(565)	**(1,340)**
Charge for the period	-	(93)	(29)	(60)	(22)	**(204)**
At 30 September 2020	(114)	(392)	(120)	(331)	(587)	**(1,544)**
Net carrying amount						
At 30 September 2020	**-**	**1,469**	**447**	**973**	**234**	**3,123**
At 1 April 2020	-	1,562	476	936	215	**3,189**

8 Right-of-use assets

Right-of-use assets comprise leases over office buildings and vehicles.

	Office buildings £'000	Vehicles £'000	**Total** £'000
Cost			
At 1 April 2020	103	47	**150**
Additions in the period	-	-	**-**
At 30 September 2020	103	47	**150**
Depreciation			
At 1 April 2020	(52)	(29)	**(81)**
Charge for the period	(11)	(8)	**(19)**
At 30 September 2020	(63)	(37)	**(100)**
Net carrying amount			
At 30 September 2020	**40**	**10**	**50**
At 1 April 2020	52	18	70

9 Loans and borrowings

	As at 30 September 2020 £'000	**As at 30 September 2019** £'000	**As at 31 March 2020** £'000
Invoice discounting facility	-	168	296
Total loans and borrowings	**-**	**168**	**296**

10 Lease liabilities

Lease liabilities comprise liabilities arising from the committed and expected payments on leases over office buildings and vehicles.

Amounts due in less than one year	Office equipment £'000	Vehicles £'000	**Total** £'000
At 1 April 2020	**24**	**15**	**39**
Repayments of principal	(13)	(8)	**(21)**
Transfers from long to short term liabilities	13	2	**15**
At 30 September 2020	**24**	**9**	**33**

Amounts due in more than one year	Office equipment £'000	Vehicles £'000	**Total** £'000
At 1 April 2020	**29**	**2**	**31**
Transfers from long to short term liabilities	(13)	(2)	**(15)**
At 30 September 2020	**16**	**-**	**16**

11 Post balance sheet events

There have been no events subsequent to the reporting date which would have a material impact on these interim financial results

[END]