Byotrol Limited

(formerly Byotrol Plc)

Annual Report
and
Financial Statements

for the year ended 31 March 2024

Registered number: 05352525

COMPANY INFORMATION

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Share Capital

Since delisting from AIM on 30 April 2024, the ordinary share capital of Byotrol Limited is now traded on Asset Match, a secondary trading platform www.assetmatch.com

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The ISIN number is GB00B0999995 and the SEDOL number is B099999

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Group Strategic Report

For the year ended 31 March 2024

Introduction

The directors present the strategic report of Byotrol Limited ("the Group" or "Byotrol") for the year ended 31 March 2024, detailing the main factors impacting upon the business during the year and a review of progress.

Business review

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the development, patenting, licensing and sale of anti-microbial products and technologies for business and consumer use.

OVERVIEW OF THE BUSINESS

Byotrol strives to revolutionise biosecurity and infection control, by developing new technologies and protocols designed to protect people and animals from disease. Byotrol's unique products are grounded in excellent science; developed by a team of hygiene experts and supported by robust data that customers trust. We specialise in high performance, sustainable and regulatory-approved antimicrobial technologies and products, especially those which challenge traditional sanitisation and cleaning methods.

We firmly believe in the responsible use of biocides in our society and that Byotrol products should perform as well in real life environments as they do in a laboratory. Our commitment to the robust testing of our products during development enables our customers and end-users to trust that Byotrol products will always perform as they should.

Our technologies are utilised across professional and consumer markets, in products for both surfaces and skin, in environments where good hygiene is of the greatest importance. Byotrol's laboratories are based at Thornton Science Park, a University of Chester campus in the North-West of England, where the Group also hosts its commercial operations.

Byotrol's territories of sale have grown significantly in recent years and our products are now sold and used throughout Europe, North America, South Africa and Asia. Byotrol is active in the following market sectors:

- **Professional**
  - Human Health
  - Animal Health
  - Facilities Management
- **Consumer**
  - Household
  - Skin Care
  - Pet Care

At Byotrol, we have established the following core values which are the foundation of the ethical and cultural expectations of the Company, and sit under the acronym CARE:

Collaborative - We communicate proactively and promote a culture of transparency and accountability.
Act with Integrity - Doing the 'right thing' is in our DNA, we lead with integrity, respect, and compassion.
Responsible - We strive to make a positive impact on society and our environment.
Entrepreneurial Spirit - We encourage the development of innovative solutions and support creative thinking.

BYOTROL'S CORPORATE HISTORY

1990's Byotrol's first antimicrobial technology was invented and patented

2005 The Company floated on the London AIM market

2007 Byotrol Consumer Products set up in joint venture with Byotrol Limited and WhatIf Ventures

2010 First consumer hand sanitiser launched in Boots

2011 Consumer household surface care range launched in Tesco

2013 Byotrol Limited acquired remaining share of Byotrol Consumer Products from WhatIf Ventures

2014 Actizone patent granted in the UK

2016 PAS 2424 long-lasting antimicrobial test method developed in conjunction with the BSI

2017 Byotrol launches new *Invirtu* alcohol free hand sanitiser: the US Environmental Protection Agency grant approval of Byotrol's proprietary 24-hour germ-kill surface sanitiser

2018 Byotrol acquires Medimark Scientific Limited, a leading provider of biocide-based infection control products for the animal and human healthcare markets

2019 Byotrol sells patents and underlying IP to Solvay SA, whilst retaining rights to sell *Actizone* in finished product form; completes licences with two key suppliers into UK NHS – with SC Johnson Professional on alcohol free hand sanitisers; and with Tristel on (non-sporicidal) anti-microbial surface care chemistries

2020 Byotrol accelerates earnout payments relating to Medimark Scientific, allowing final integration of the two companies

2021 Byotrol achieves significant profitability; licences technology to transfer US operations to third party

2022 Byotrol centralises its commercial operations into Thornton Science Park, alongside the existing laboratory facilities

2023 Following the launch of the Cruise formulation within the Anigene brand in late 2022, Byotrol focuses on rolling out it's BPR-approvable Cruise technology across a wide range of its product portfolio, providing a sustainable platform for growth in the tightening regulatory environments of both UK and Export markets. In the US, the Environmental Protection Agency "EPA" formally approved long-lasting virucidal claims for Byotrol24, which the Directors believe is the first product to receive such an EPA approval and means that Byotrol24 and its sub brands will now be able to offer unique and highly relevant claims and performance characteristics to US consumers and businesses.

2024 Byotrol delists from the London AIM market, following the almost complete disappearance of AIM as a funding solution for micro caps, along with a raft of other similarly placed and sized businesses. Byotrol restructures and re-registers as Byotrol Limited, undergoing a small fundraising to support its growth objectives in the short to medium term.

FINANCIAL AND PERFORMANCE REVIEW

Introduction

The last 12 months have been a period of considerable challenge and change for the business. In the background of an almost complete disappearance of funding on the capital markets to help R&D intensive micro caps such as ourselves commercialise their technologies and realise their growth potential, we have had to adjust our approach to preserve cash wherever possible, liquidate some longer term assets and re-prioritise our technical projects.

Despite this, we have seen a clear trend of underlying growth in our like-for-like product sales comparisons that bode well for the future health of the business. Indeed, when allowing for the impact of the regulation changes that necessitated our exit from Medical Devices early in FY24 combined with other discontinuations, product sales of £3.9m for the year compare favourably with £3.7m in the previous year on a like-for-like basis.

With IP, whilst there have been no new deals agreed in the year (vs £0.3m in FY23), we took a conscious decision early in FY24 to use existing IP deals as a lever for accelerating cash into the business wherever possible, particularly given the lack of available funding on the markets as noted above to help support liquidity. This led to early exits from our IP deals with TurtleWax and Tristel that brought £163k of required cash into the business, albeit creating an exceptional P&L loss item of £544k. We generated total cash of approximately £745k from IP alone in the year.

As previously reported, our two main existing IP initiatives – Syensqo (previously Solvay) Actizone and Integrated Resources Inc's Byotrol 24 – continue to progress encouragingly but are still not at sufficient commercial traction to be material to Byotrol. We remain confident this will change for the better, but timing and magnitude is as yet unclear.

From a technical perspective, our focus in the immediate term has switched to supporting projects that will yield prompt commercial returns, notably towards variants of our Cruise formulation that will enhance our offering to customers over the coming months. This, combined with the impact of a recent restructure, has meant a temporary scaling back of activities on our Plant-based and Seaweed projects which have always been a longer-term proposition for us in terms of realising commercial gain and financial reward. In line with accounting rules on projects such as these where the future returns are not yet confirmed in timing or quantum, we have taken an exceptional provision of £626k against both projects. However, these technologies remain in our development portfolio and when suitable opportunities arise in future, we will actively look to promote and develop them further accordingly.

Income Statement

Revenue

Professional

Revenues for product sales were £3.4m (2023: £3.7m) with gross profit at £1.4m (2023: £1.6m) and gross margin at 41.5% (2023: 42.5%). Underlying gross margin, after stripping out disposal costs for obsolete and discontinued stocks, is at 43.0%. On a like for like basis, adjusting for discontinuations and exit from Medical Devices as noted above, current year sales of £3.4m compare with £3.2m from the prior year. Within this, and in line with our publicised strategy to focus on Animal Healthcare and niche Human Healthcare, our split of sales on a like for like basis in Animal have increased to 74% (2023: 66%), with Human at 18% (2023: 21%) and Facilities/Other at 8% (2023: 13%), reflecting the decision to narrow our focus on the more profitable areas of the product portfolio as the basis for future growth, and where we have an established name together with brand equity. Royalty and licencing income was at £0.0m (2023: £0.3m), as a result of prioritising cash acceleration from existing agreements.

Consumer
Revenues for product sales were £0.5m (£0.6m), an ongoing result of our decision to exit low margin business and focus on those areas with greater profitability. Consequently, gross margin increased to 44.5% from 43.0%, with gross profit at £0.2m (2023: £0.3m)

Finance income
£0.08m of notional finance income continues to arise from the imputed cost of funds on long-term contracts (£0.10m in 2023), with the movement coming from the unwind of the FY22 Integrated Resources IP agreement as they make their annual staged payments to us. This has been added back to adjusted EBITDA in the calculation set out in Note 7.

Cost of sales

Cost of sales of £2.31m (2023: £2.48m before exceptional items) represents the direct manufacturing costs of products and the cost of logistics (warehousing, transport etc). The reduction on the prior year reflects the fall in year-on-year sales. Given the mix of Byotrol's activities, gross margin across the sales mix including Royalty and licencing income is not a particularly meaningful measure of performance and is better considered on a separate basis. In both Professional and Consumer categories (excluding royalties, IP etc.) and as commented above, our underlying gross margin continues to see steady growth as part of the strategic decision to narrow our focus towards more profitable areas of our portfolio. Additionally, we have been able to implement further price increases with our customers during the year to help mitigate the impact of price inflation experienced in our supply chain.

Overhead expenses and research and development

Overhead costs, before exceptional items, decreased on the prior year to £2.94m from £3.38m, reflecting a combination of lower amortisation & depreciation and cost saving initiatives introduced during FY24 to realign our cost base with our level of sales.

Staff costs for the year totalled £1.97m (2023: £2.01m). We will see this fall further in the next financial year following a restructure and headcount reduction implemented during Q1 FY25.

Cash research and development costs were £0.34m (2023: £0.42m), reflecting the decision to rationalise our technical resources towards those projects that will yield a faster commercial return. Nevertheless, the Group continues to invest in the research and development of further anti-microbial products and has 9 (2023: 10) employees in its research and development department.

Exceptional costs in the year of £1.20m (2023: £nil) are detailed in Note 7 and relate primarily to early IP contract termination (£0.54m) and the development cost provision (£0.62m), both detailed earlier, with a further £0.03m of costs incurred in preparation for the delisting from the AIM exchange.

Finance income and expense

Finance income arises both from interest receivable on interest-bearing deposits as well as notional interest arising on contracts with a "Significant Financing Component" as defined by IFRS 15. As noted earlier, this stood at £0.08m for the year (2023: £0.10m) and relates to contracts signed in previous years.

Total finance expense was £0.14m (2023: £0.07m), with the increase on the prior year relating to interest and charges coming from the invoice discounting facility entered into during July 2023, on top of the interest cost arising from the July

2022 Convertible Loan Notes. This is on top of the usual finance costs from bank charges and an element of lease expenses now recognised as interest under IFRS 16.

Profitability

Adjusted EBITDA decreased to -£1.0m (2023: -£0.7m), with the -£0.3m reduction reflecting the underlying absence of any new IP agreements in the year whilst the focus switched to accelerating cash from agreements already in place. The adjusted EBITDA also includes R&D tax credits of £200k (2023: £262k) as they are considered to be an ongoing part of the Group's continuing operations.
The Group's pre-tax loss was £2.95m (2023: loss £1.83m), though is after absorbing £0.48m of amortisation/depreciation and exceptional costs of £1.20m. After a tax charge of £0.11m (2023: credit of £0.13m) this resulted in statutory EPS of (0.68p) (2023: (0.37p)) and (0.33p) on an adjusted basis (2023: (0.26p)).

Taxation

The tax charge for the period reflects the movement in Deferred taxation (see Note 14). Significant tax losses remain available to the Group; however, given the uncertainty of timing of realisation of these losses, the deferred tax asset relating to such assets was fully derecognised with a resulting deferred tax charge of £0.11m (2023: credit of £0.11m). The value of the Group's unrecognised deferred tax asset relating to unutilised trading losses and other temporary differences as at 31 March 2024 now stands at £5.86m (2023: £4.61m).

A non-cash tax credit continues to arise from the amortisation of a deferred tax liability relating to the intangible assets acquired as a result of the acquisition of Medimark.

Statement of Financial Position

Goodwill and other intangible assets

Goodwill, customer relationships and brands
The intangible assets acquired as part of the acquisition of the Medimark business in 2018 comprised principally customer relationships, various brands, as well as other IP relating to the capitalised value of efficacy testing and other relevant licensing activities. Net of accumulated amortisation for the year, the net book value of the customer relationships and brands acquired was approximately £0.98m at the year-end (2023: £1.23m). Goodwill arising on acquisition was £0.50m, which remains unchanged.

Development costs
Development costs represent the capitalised value of work undertaken (either internally or externally by appropriate consultants) to develop and protect patents, know-how and other similar assets when they pass the criteria for capitalisation under the Group accounting policy. The amortised balance at 31 March 2024 was £0.77m (2023: £1.31m) after capitalising expenditure of £0.32m, amortisation of £0.17m and disposals with a net book value of £0.07m. As noted above, this includes a provision of £0.62m being made against our Seaweed and Plant-based projects whilst focus in the near term switches to projects with a faster expected financial return.

Patents and licences
The Group continues to protect its IP by registering patents when relevant. During the year, certain patents in geographies where it was felt the likely benefits of retaining the patents were outweighed by the cost of maintaining them were allowed to expire. The book loss arising from this abandonment was £0.05m. Following this, expenditure of £0.04m and amortisation of £0.03m, the book value of such patents and licences was £0.13m (2023: £0.17m).

Property, plant and equipment

Limited expenditure of £0.004m was incurred in the year (2023: £0.023m) as the Company sought to reduce its spending. Depreciation in the year amounted to £0.03m (2023: £0.04m) with the current year's charge reflecting prior year investments into new laboratory equipment such as the virology lab and R&D safety management software.

Excluding amounts relating to Right-to-Use assets now recognised under IFRS 16 of £0.004m (2023: £0.01m), the aggregate net book value of property, plant and equipment decreased to £0.04m (2023: £0.06m).

Inventories

Inventories comprise raw materials, work in progress and finished goods held at the Group's third-party warehouses and contract manufacturers for sale to customers. Total inventory held at the year-end stood at £0.34m (2023: £0.49m). A concerted effort has been made during the second half of FY24 to maximise our working capital and optimise our inventory levels, under the leadership of our Director of Supply Chain. This has resulted in the reduction of our inventory versus both the prior year and also the September Interims position of £0.63m. Additionally during the year, the company disposed of a significant quantity of obsolete and discontinued stocks – already provisioned in previous years and some of which had accumulated during stock builds dating back to the Covid-19 pandemic – which in turn has helped us reduce storage costs with our warehouse provider.

Trade receivables

Trade receivables arising from product sales were £0.64m (2023: £0.79m), with the decrease on the prior year reflecting the impact of the invoice discounting facility which has accelerated the cash in-flow from our largest customer accounts.

Trade receivables also arise for the Group where the consideration for the sale or licence of IP (on a "right to use" basis) is structured as a series of fixed sums payable over several years. Usually there are sales-based royalties over and above these fixed sums; however, these are recognised in the period that they arise – the fixed sums are recognised on the transfer of the IP at their present value (as discounted at an imputed cost of funds). Of the total trade receivables relating to IP transactions, £0.32m was due in one year (2023: £0.60m) and £0.58m was due after one year (2023: £1.44m). Of this balance, £0.48m was due to be collected within 2-5 years and £0.10m after 5 years (2023: £1.04m and £0.40m respectively).

The Group has stringent credit control policies and will not contract with customers who present an undue credit risk. In addition, the Group may request pro forma (i.e. advance) payments from new customers or existing customers who wish to increase the volume of business they do with the Group above a pre-agreed credit limit. As a result, the impairment charge for the year was £0.001m (including the expected credit loss provision required by IFRS 9 of £0.001m) (2023: £0.008m).

Trade and other payables

Trade payables reduced in the year from £0.66m to £0.47m, largely reflecting better control of our inventory levels and working capital, as noted in the Inventory section above. Other creditors, including social security and other taxes together with accruals, increased to £0.51m from £0.20m, due primarily to the creditor balance owed to the new invoice discounting facility provider.

Statement of Cash Flows

Cash flow and financing

Net cash flow generated from operating activities for the year was £0.19m (2023: net cash flow used of -£1.03m), with a net decrease in cash and cash equivalents of -£0.31m (2023: -£0.55m). This reflects decisions made by management to prioritise cash generation from existing IP agreements – albeit by incurring exceptional P&L expense – together with strict management of inventory and working capital and the addition of the invoice discounting facility. Closing cash stood at £0.31m (2023: £0.69m)

Summary

The Group has continued to navigate its way through ongoing periods of challenge and change in the last 12 months. This culminated in the delisting from the AIM exchange and an internal restructure in April 2024. Notwithstanding, the focus of the Group remains unchanged, namely to build on it's strengths in Animal Healthcare, capitalising on the strong reputation and brand equity it already has, whilst being opportunistic at a secondary level in both niche Human Healthcare and Consumer markets.

With the completion of a fundraising via issue of new ordinary shares in June 2024, the Group is now focused on its key objective to deliver break even as quickly as possible, and then springboard onwards to profitability, helped with the much leaner operational structure achieved through changes made during this 2024 calendar year.

PRINCIPAL RISKS AND UNCERTAINTIES

Our aim is to recognise and address the key risks and uncertainties facing the Group at all levels of our business.

There are a number of risk factors that could adversely affect the Group's execution of its strategic plan and, more generally, the Group's operations, business model, financial results, future performance, solvency, or the value or liquidity of its equity. The Board is committed to addressing these risks by implementing systems for effective risk management and internal control.

The Board continually assesses the principal risks and uncertainties that could threaten Byotrol's business, business model, strategies, financial results, future performance, solvency or liquidity. The items listed below represent the known principal risks and uncertainties but does not list all known or potential risks and uncertainties exhaustively. Where possible, steps are taken to mitigate risks.

Principal risk	Mitigation
Regulatory and technology The industry in which Byotrol operates undergoes continual change reflecting technical developments as industry and government standards and working practices change and emerge. The ability to continue to market the Group's products is inextricably linked to the Group's ability to achieve and maintain regulatory and legal approvals in those countries where the Group has a presence The Group's intangible asset base is founded upon its patent and regulatory approvals. Patent applications and	The Group employs highly qualified senior management who monitor closely developments in technology that might affect its research capability and product evolution. The Group monitors regulatory risks regularly and makes extensive use of consultants and patent lawyers to ensure appropriate actions and protections. The Executive Board members, supported by senior managers and such specialist advisers, take responsibility for maintaining legal compliance.

approvals continue to be sought worldwide to protect the intellectual property portfolio. As the products are based upon existing approved biocides, regulatory issues are still complex but not as complex as with a newly-designed chemical compound. The markets in which Byotrol operates are competitive and rapidly evolving. The Group's existing products may become less competitive or even obsolete if competitors introduce new products and/or customer behaviour or requirements change. Within the EU the regulatory environment continues to change significantly - at the core of this change are the Biocidal Products Regulations ('BPR'), under which the EU is intending to harmonise the market in Europe for biocidal active substances and products containing them. This means that 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. At present it would appear that the UK protocol will largely mirror the EU protocol although there remains the possibility over time that these could diverge. Nevertheless, it also means that for Byotrol's product sales into European countries that separate registrations will be required for the different product type sectors. This is creating extra regulatory work and will undoubtedly lead to further complexity for the Group.	New products and features are assessed against their target markets and in response to customer feedback. The Group's management is pro-active in responding to changing market conditions and sees the changes as an opportunity to build market share and benefit from consolidation within the biocides industry. To address the increasing complexity of the EU and UK regulatory regimes, we have a Regulatory Manager in place, supported by the Technical team. A key part of the remit of the Regulatory Manager has been to provide detailed analysis of the Biocidal Products Regulations ('BPR') in both the UK and Europe, allowing senior management and Exec Board members to determine which sectors and territories to register our portfolio in future years, harnessing both technical and competitive advantage along with an understanding of optimum timings of registration whilst considering resource implications.
Supply chain risk The Group's ability to continue to manufacture and supply its products in a timely manner is a prerequisite to maintaining its sales growth rate, gross margin and profitability. This area of risk is kept under constant review, including identifying multiple routes of supply for key materials and services related to the production of the Group's products. Whilst the Group's supply chain managed to cope with considerable stress during the coronavirus pandemic, it did highlight the need to continue to establish relationships and build volume with higher quality manufacturers. It is recognised that a significant disruption to the supply chain could significantly threaten Byotrol's ability to do business, particularly in the short term, and could result in significant financial loss.	The Group has an established Director of Supply Chain in place who has prioritised not only establishing much better and clearer relationships with both finished product manufacturers and raw materials suppliers, but also improving the timeliness of the information it is able to share with our customers. This has also included improving the use of data available internally to understand the quality of our inventory as well as overhauling processes to improve availability, and our visibility of this. As the Group looks to expand its operations overseas, we will continue to look at ways in which we can simplify our routes to market to generate further efficiencies internally within our Supply Chain process. The Group continues to embed its improved quality management system, led by an experienced Quality Manager, and has again successfully maintained its ISO9001 accreditation during the year.

Attracting and retaining skilled people Attracting and retaining the best skilled people at all levels of the business is critical. This is particularly the case in ensuring we have access to a diverse range of views and experience and in attracting specific expertise at both managerial and operational levels where the market may be highly competitive. Failure to attract new talent, or to develop and retain the Group's existing employees, could impact the Group's ability to achieve the Group's strategic growth objectives. As we continue to grow and diversify into new areas, this risk will continue to be a focus for the Board.	The Group has been through a lot of change in the last year, including the delisting from the AIM exchange and a restructure, which has seen a contraction of our workforce driven by the need to reduce costs and preserve resources. In the wake of these changes attention is turning to stabilise the remaining workforce that will provide the foundation for the future growth of the business whilst re-iterating the core set of values that were established in the previous financial year. Focus for the coming months will return to our interactive appraisal process, an incentive scheme that will allow all employees to share in the anticipated future success of the business subject to target achievement, and new Share Options schemes for the management team. As the Group evolves, we will look to ensure that staff at all levels continue to have the opportunity to develop alongside the business itself.
Economic, international trade and market conditions The Group is generally exposed to economic, trade and market risk factors, such as global or localised economic downturn/recession, changing international trade relationships, foreign exchange fluctuations, consolidation or insolvency of existing or prospective customers or competitor products, all of which could threaten Byotrol's performance and prospects.	Mitigation against the short-term impact of such risks is provided through a large spread of customers to whom we sell a diverse product range. Byotrol's margins provide a level of protection against volatile economic or market situations, and we continue to monitor the segments in which we operate to anticipate the impact of changing economic, trade and market conditions. Our policy of ongoing product development helps us to maintain our competitive advantage, particularly in an environment where regulations are changing and will provide barriers to entry to some of our competitors. We have now established clear lines of communications with our key suppliers to understand the impact on our own cost-base and continue to mitigate the impact of this with price increases across our portfolio where necessary. We undertake regular reviews of margins to support our understanding of cost price trends.
Credit risks The Group's principal financial assets are cash and receivables. Credit risk is primarily attributable to its trade receivables, which are diversified across a large number of mostly low value customer accounts (with a few exceptions where the Group has entered into long-term arrangements with purchasers or licensees of IP). In addition, operations in new markets may have a higher than average risk of	Credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The credit risk on trade and other receivables is managed by agreeing appropriate payment terms with customers, obtaining credit agency ratings of all potential customers; by requiring where appropriate payment for goods in advance; and by closely monitoring customer balances due to ensure they do not become

political or economic instability, and may carry increased credit risk. In each case the risk to the Group is its ability to collect its debts.	overdue. In addition, careful consideration is given to operations in new markets before the Group enters that market. During the year, the group entered into an invoice discounting facility. The provider performs their own credit risk checks on our customers which provides an additional layer of verification as to their credit-worthiness. The Group will continue to assess the impact of market conditions and potential impact of these on credit risk, taking necessary action to minimise such risk wherever appropriate. The Group did not enter into derivative transactions during the year. It is the Group's policy that no speculative trading in financial instruments will be undertaken.
Liquidity risks Fluctuations in working capital may leave the Group with inadequate cash resources to fund its operations.	Group cash balances are monitored on a daily basis to ensure that the Group has sufficient funds to meet its needs. Cash flow forecasts are generated weekly and reviewed regularly by management. As noted above, the Group entered into an invoice discounting facility during the year to help boost the liquidity of our operations. The Directors have prepared projected cash flow information for the coming year. On the basis of these projections, the Group has sufficient working capital facilities for the foreseeable future.

FINANCIAL KEY PERFORMANCE INDICATORS

The Directors consider that revenue and gross margin, adjusted EBITDA[1] and profit before tax, the related margins as a percentage of revenue, and cash generation are key performance indicators ("KPIs") in measuring Group financial performance. We track revenue as it is an indicator of the Group's overall size and complexity, gross profit as it is a primary indicator of the profitability of our products and services, and adjusted EBITDA as it is a key measure of the Group's effectiveness in converting revenue to earnings, excluding the effects of certain non-operational and/or exceptional transactions. We track cash generation as ultimately this drives shareholder returns as well as reflecting investment into the business to support future long-term growth.

	2024	**2023**	***Var***
Revenue	£4.0m	£4.6m	*£(0.6)m*
Gross profit pre -exceptionals	£1.66m	£2.11m	*£(0.45)m*
*Product sales gross profit margin – pre-exceptionals**	*41.9%*	*42.6%*	*-0.7%*
Adjusted EBITDA[1]	£(0.97)m	£(0.71)m	*£(0.26)m*
Adjusted EBITDA margin[2]	*(24.4%)*	*(15.5%)*	*(8.9%)*
Cash (used in)/generated from operating activities	£0.06m	£(1.15)m	*£1.21m*
Net cash at year-end	£0.3m	£0.7m	*£(0.4)m*

The above figures show results for continuing operations only
** i.e. excluding royalty and licensing income and income arising from the sale of intellectual property*
[1] i.e. earnings before interest, tax, depreciation, amortisation and exceptional and other adjusting items – see Note 7

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The Board acknowledges its responsibilities under the Companies Act 2006 (the "Act") and below sets out the requirements of the Act and in particular section 172(1), and the key processes and considerations that demonstrate how the Directors discharge their duties and promote the success of the Company. References to the Company include the wider Group where relevant.

Factors (a) to (f) below, are all taken into account during the decision-making process:

(a) *The likely consequences of any decision in the long term*

Supporting each key decision, the Board is given access to management papers which set out the potential outcome of decisions. The papers include diligence on the financial impact via forecasts, as well as non-financial factors and how the decision fits with the strategy of the Company. Strategy is reviewed in detail each year and this strategic thinking is intrinsic to future decision-making processes. Where appropriate, the Board delegates responsibility to a sub-committee of senior management for areas such as M&A, investor relations and so on.

(b) *The interests of the Company's employees*

As noted above, the Directors actively consider the interest of employees in all major decisions. The Group Strategic Review sets out in greater detail Byotrol's policy towards its employees. Value is created through innovation and customer service, which is a product of motivated employees. They are of central importance to Byotrol's success, and the Directors believe that the Byotrol culture and core values create an environment for engaged and successful employees.

The Group also operates option schemes for the majority of the Group's employees to encourage employee engagement in promoting the success of the Company and maximising shareholder return.

The health of the Group's employees is of course paramount, and the Directors made every effort to facilitate hybrid working since the coronavirus pandemic.

(c) *The need to foster the Company's business relationships with suppliers, customers and others*

The Directors have identified the key stakeholders (employees, customers and clients) of the Group and regularly review their interests, concerns and expectations to ensure adequate communication and engagement is ongoing with each group.

d) *The impact of the Company's operations on the community and environment*

The Company takes its responsibility within the community and wider environment seriously and acknowledge that more can be done. To that end, a Sustainability Working Group has recently been formed to look at ways in which we can improve our impact and will set targets accordingly to be attained. As a UK-based business with modest travel requirements for staff, the Company has a relatively low carbon footprint in terms of its operations but continues to look for ways to make improvements.

(e) *The desirability of the Group maintaining a reputation for high standards of business conduct*

The Directors and the Group are committed to high standards of business conduct and governance. Additionally, where there is a need to seek advice on particular issues, the Board will seek advice from its lawyers and/or nominated advisers to ensure the consideration of business conduct, and its reputation is maintained.

(f) *The need to act fairly between members of the Company*

The Directors meet with investors and strive to give equal access to all investors and potential investors. Through its advisers, the Directors seek and obtain feedback from meeting with the investors and incorporate such feedback into their decision-making processes where appropriate. Where conflicting needs arise, advice is sought from the wider Board and as necessary, from advisers. Through the careful balancing of stakeholder needs, Byotrol seeks to promote success for the long-term benefit of shareholders.

The Board meet at least 6 times a year with papers circulated in advance to allow the Directors to fully understand the performance and position of the Company, alongside matters arising for decision. Each decision that is made by the Directors is supported by analyses of the possible outcomes so that an educated decision can be made based upon the likely impact on the Company, so a decision can be made which best promotes the success of the Company and what impact there may be on the wider stakeholder group.

Decisions of the Board take into account not just short-term, but also medium and long-term consequences, which are carefully considered and balanced, having regard to the needs and priorities of the business, its customers,

partners, employees and other stakeholders. Executive directors also participate in regular "Operations Group" meetings together with senior management.

Key decisions taken during the year

During the year, and as previously communicated publicly, the decision was taken to delist the company from the AIM exchange and take it private, whilst still maintaining the ability for our shares to be traded on the secondary platform provided by Asset Match. This decision was driven by a need to save costs and make the most effective use of our available resources against the backdrop of the almost complete disappearance of AIM as a funding solution for micro caps such as ourselves. At the same time, and as part of the overall decision to reduce our cost base and maximise those resources we do have, the business has undergone a restructuring, which has now seen the business reduce by almost a third compared to its size just over a year ago. This reduction has occurred at all levels, including at Board.

In spite of all this change, the underlying strategy as publicised by the Board in recent presentations has remained unchanged, being the concentration of our efforts to prioritize growth in the Animal healthcare sector, where we already have an established and trusted name along with brand equity, whilst remaining opportunistic in our secondary areas of niche Human healthcare and Consumer markets. We remain confident that this approach will underpin the sustained future growth of the Company.

Approved by the Board on 14 August 2024 and signed on its behalf.



Chris Sedwell
Director

Report of the Directors and Financial Statements

For the year ended 31 March 2024

The Directors present their annual report on the affairs of the Group, together with the consolidated financial statements and independent auditor's report, for the year ended 31 March 2024.

Principal activities

The principal activities of the Group during the year were the development, patenting, licensing and sale of anti-microbial products and technologies for business and consumer use.

Further information on the Group's activities, its prospects and likely future developments is given in the sections titled "Strategic Report" and "Financial Statements".

Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements for each financial year 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 of the group in accordance with UK adopted International Accounting Standards and the parent company in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, and the Companies Act 2006.

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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 requirements of 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. They are further responsible for ensuring that the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

Financial instruments and liquidity risks

Information about the use of financial instruments by the Company and its subsidiaries and the Group's financial risk management policies are given in note 29 of the financial statements.

Directors and their interests

The Directors who served during the year are as shown below:

Trevor Francis	Non-Executive (to 26 April 2023), Non-Executive Chairman (appointed 26 April 2023 and resigned 22 April 2024), Non-Executive (appointed 22 April 2024 and resigned 30 April 2024)
Sean Gogarty	Non-Executive (resigned 30 April 2024)

Vivan Pinto	Chief Executive Officer (appointed 21 November 2022 and resigned 26 September 2023)
Christopher Sedwell	Chief Financial Officer to 30 June 2024, Managing Director (appointed 1 July 2024)
David Traynor	Executive Chairman (resigned 26 April 2023), Executive Director (appointed 26 April 2023), Interim Chief Executive officer (appointed 26 September 2023 to 30 June 2024)
Ashley Head	Non-Executive (appointed 13 September 2023), Non-Executive Chairman (appointed 22 April 2024)

In accordance with the Company's articles Ashley Head will be required to offer himself for re-election, having only been appointed during the financial year.

Review of the business

A review of the business and the future developments of the Group is presented in the Group Strategic Review

Results and dividends

The loss for the financial year to 31 March 2024 attributable to ordinary shareholders amounts to £1.49m (2023: loss of £1.19m). The Directors do not recommend the payment of a dividend.

Research and development

Details of the Group's activities on research and development during the year are set out in the Group Strategic Review.

Auditor

Each of the persons who are Directors of the Company at the date when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors intend to place a resolution before the Annual General Meeting to appoint Crowe U.K. LLP as auditor for the following year.

Liability insurance for Company officers

As permitted by section 233 of the Companies Act 2006, the Company has purchased insurance cover for the Directors against liabilities that might arise in relation to the Group.

Post Balance Sheet Events

Since the year-end, the Company underwent a restructure resulting in payments totalling £78k being made to employees leaving the business. In June 2024, a fundraising process was completed resulting in the issue of new ordinary shares for total cash consideration of £450k.

By order of the Board



Chris Sedwell
Director

Independent Auditors' Report to the Members of Byotrol Limited

For the year ended 31 March 2024

Opinion

We have audited the financial statements of Byotrol Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2024 which comprise:

- the Group statement of comprehensive income for the year ended 31 March 2024;
- the Group and parent company statement of financial position as at 31 March 2024;
- the Group statement of cashflows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 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 16, 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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Company operates. We also considered and obtained an understanding of the UK legal and regulatory framework which we considered in this context were the Companies Act 2006 and UK taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and misstatement of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and sample testing on the posting of journals. We also reviewed and challenged accounting estimates and assumptions used by management for the valuation of goodwill, intangible assets and recognition of contract income, in order to verify that the calculations and models were reasonable and free of biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our 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 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.



Michael Jayson
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Manchester
14 August 2024

Group Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £'000 *(audited)*	2023 £'000 *(audited)*
Revenue	5	**3,970**	**4,592**
Cost of sales pre-exceptional item		(2,307)	(2,475)
Gross profit pre-exceptional item		**1,663**	**2,117**
Cost of sales – exceptional item	7	(-)	(258)
Gross profit		**1,663**	**1,859**
Adjusted administrative expenses	6, 8	(2,936)	(3,383)
Adjusted operating (loss)		**(1,273)**	**(1,524)**
Exceptional items	7	(1,204)	-
Amortisation of acquisition-related intangibles		(298)	(300)
Share-based payments	11	(115)	(33)
Operating (loss)		**(2,890)**	**(1,857)**
Finance income	12	80	103
Finance expense	13	(140)	(71)
(Loss) before taxation		**(2,950)**	**(1,825)**
Income tax (charge)/credit	14	(114)	133
(Loss) for the year		**(3,064)**	**(1,692)**
Other comprehensive (expenses)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(64)	107
Other comprehensive income, net of tax		**(64)**	**107**
Total comprehensive (expense) for the year		**(3,128)**	**(1,585)**
Earnings per share – from profit for the year			
Attributable to the owners of Byotrol Limited (basic)	15	(0.68)p	(0.37)p
Attributable to the owners of Byotrol Limited (diluted)	15	(0.67)p	(0.37)p

The accompanying notes 1 to 31 are an integral part of these financial statements.

Group Statement of Financial Position

For the year ended 31 March 2024

	Note	2024 £'000 *(audited)*	2023 £'000 *(audited)*
Assets			
Non-current assets			
Intangible assets	18	2,388	3,218
Tangible assets	19	36	61
Right-of-use assets	20	4	13
Deferred tax assets	21	-	163
Trade receivables	23	575	1,436
		3,003	**4,891**
Current assets			
Inventories	22	343	494
Trade and other receivables	23	1,116	1,669
Cash and cash equivalents		315	687
		1,774	**2,850**
TOTAL ASSETS		**4,777**	**7,741**
Liabilities			
Non-current liabilities			
Lease liabilities	24	-	4
Deferred tax liabilities	21	252	299
Convertible loan notes	26	962	962
		1,214	**1,265**
Current liabilities			
Trade and other payables	25	968	863
Lease liabilities	24	4	8
		972	**871**
TOTAL LIABILITIES		**2,186**	**2,136**
NET ASSETS		**2,591**	**5,605**
Issued share capital and reserves			
Share capital	28	1,135	1,135
Share premium		457	457
Other reserves		868	932
Retained earnings		131	3,081
TOTAL EQUITY		**2,591**	**5,605**

The financial statements of Byotrol Limited, registered number 05352525 were approved by the board of Directors and authorised for issue on 14 August 2024. They were signed on its behalf by:



Chris Sedwell

Director

The accompanying notes 1 to 31 are an integral part of the financial statements.

Group Statement of Cash Flows

For the year ended 31 March 2024

	2024 £'000 *(audited)*	2023 £'000 *(audited)*
Cash flows from operating activities		
(Loss) for the year	**(3,064)**	**(1,692)**
Adjustments for:		
Finance income	(80)	(103)
Finance costs	140	71
Depreciation of tangible non-current assets	28	34
Amortisation and impairment of intangible non-current assets	440	642
Loss on patent abandonment	50	64
Income tax charge recognised in profit or loss	(-)	(100)
Development cost provision	625	-
IP contract termination	544	-
Share-based payments	115	33
Operating cash flows before movements in working capital from continuing operations	**(1,202)**	**(1,051)**
Decrease in trade and other receivables	1,025	421
Decrease/(increase) in inventories	151	(95)
Increase/(decrease) in trade and other payables	87	(428)
Cash generated from/(used in) operating activities	**61**	**(1,153)**
Income tax refund received	125	125
Net cash generated from/(used in) operating activities	**186**	**(1,028)**
Cash flows from investing activities		
Development of intangible assets	(341)	(419)
Acquisition of property, plant and equipment	(4)	(22)
Net cash (used) in investing activities	**(345)**	**(441)**
Cash flows from financing activities		
Proceeds from issue of Convertible Loan Notes	-	1,000
Repayments of principal on lease liabilities	(8)	(12)
Finance costs	(140)	(70)
Interest expense on lease liabilities	(1)	(1)
Net cash (used in)/generated from financing activities	**(149)**	**917**
Net (decrease) in cash and cash equivalents	**(308)**	**(552)**
Foreign exchange differences	(64)	107
Cash and equivalent at beginning of period	**687**	**1,132**
Cash and cash equivalents at end of period	**315**	**687**

Group Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital	Share premium	Other reserve	Exchange reserve	Retained earnings	**Total**
	£'000	£'000	£000's	£000's	£'000	**£'000**
Balance at 1 April 2022	**1,135**	**457**	**-**	**787**	**4,739**	**7,118**
Loss after taxation for the period	-	-	-	-	(1,692)	(1,692)
Other comprehensive income:						
Exchange differences	-	-	-	107	-	107
Transactions with owners:						
Share-based payments	-	-	-	-	33	33
Deferred tax on share-based payment transactions	-	-	-	-	1	1
Shares issued during the year for cash	-	-	-	-	-	-
Convertible loan note equity component	-	-	38	-	-	38
Balance at 31 March 2023	**1,135**	**457**	**38**	**894**	**3,081**	**5,605**
Loss after taxation for the period	-	-	-	-	(3,064)	(3,064)
Other comprehensive income:						
Exchange differences	-	-	-	(64)	-	(64)
Transactions with owners:						
Share-based payments	-	-	-	-	115	115
Deferred tax on share-based payment transactions	-	-	-	-	(1)	(1)
Shares issued during the year for cash	-	-	-	-	-	-
Convertible loan note equity component	-	-	-	-	-	-
Balance at 31 March 2024	**1,135**	**457**	**38**	**830**	**131**	**2,591**

Reserve	**Description and purpose**
Share capital	Nominal value of issued shares
Share premium	Amount subscribed for share capital in excess of nominal value less associated costs
Other Reserve	Equity component arising from issue of Convertible Loan Note
Exchange reserve	The difference arising on the translation of foreign operations denominated in currencies other than UK Sterling into the presentational currency of the Group
Merger reserve	Amounts arising on the consolidation of historic acquisitions under merger accounting principles
Retained earnings	All other net gains and losses not recognised elsewhere

The accompanying notes 1 to 31 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1 General information

Byotrol Limited ("Byotrol" or the "Company") is a private limited company incorporated and domiciled in England. Since delisting from the AIM market of the London Stock Exchange in April 2024, the Company's ordinary shares are now traded on the Asset Match platform (www.assetmatch.com). These financial statements are the consolidated financial statements of Byotrol Limited and its subsidiaries ("the Byotrol Group" or the "Group") and the company financial statements for Byotrol Limited.

Byotrol's registered office is at Riverside Works, Collyhurst Road, Manchester M40 7RU and its principal place of business is at Building 303 (Ashton), Thornton Science Park, Pool Lane, Ince, Chester, CH2 4NU.

2 Adoption of new and revised standards

International Financial Reporting Standards – At the date of authorisation of these financial statements, there are no amended standards and interpretations issued by the UK Endorsement Board that impact the group as they are either not relevant to the group's activities or require accounting which is consistent with the group's current accounting policies.

3 Material accounting policies

Basis of accounting

The financial statements have been prepared on a historical cost basis (except for certain financial instruments and share-based payments that have been measured at fair value), and in accordance with the AIM Rules and UK adopted International Accounting Standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. The Company controls an investee if, and only if, the Company has the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure of rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

The results of subsidiaries or businesses acquired during the year are included in the consolidated income statement from the effective date of acquisition. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Audit exemption

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act; Byotrol Consumer Products Limited; Winchpharma (Consumer Healthcare) Limited; Smart Antimicrobial Technologies Ireland Limited; Chemgene Solutions Limited; Trigene Limited; and Medichem International Limited.

Going concern

These financial statements have been prepared on a going concern basis.

The Directors have reviewed the Company's and the Group's going concern position taking into account its current business activities, budgeted performance and the factors likely to affect its future development, set out in this Annual Report, and including the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks. As has been widely commented, the Group has taken active and significant steps in the last 12 months to reduce its cost base by both delisting from the AIM exchange and undergoing an internal restructure in April 2024. This has then been followed with a successful and over-subscribed fundraise in June 2024 from its existing shareholder base, which outwardly shows strong confidence from our core investors regarding the future potential of the Group. This has been reflected in the Directors' assessment of the going concern basis of preparation for the Group and Company financial statements and by modelling the impact on the Group and Company's cashflow for the two years to the end of March 2026 (FY26). The Group's future revenue streams include a proportion of cash inflows from minimum payments agreed under IP licence agreements concluded in previous years. The Group continues to pursue opportunities of this type where sufficient returns can be generated which, if concluded, would likely involve further material upfront cash payments.

Notwithstanding the above, the Directors have modelled the cash flows of the Group and Company under a number of separate negative scenarios; even under these differing scenarios and with the Group proactively having taken steps to improve its cash management by strict cost management and increasing cash headroom, the forecasts for the period to the end of March 2026 indicate that the Group and the Company would continue to hold positive cash balances and, as a result, are able to continue operating and to meet their liabilities as they fall due.

The Directors have therefore concluded that the Group and the Company have adequate resources to continue in operational existence for at least the 12 months following the signing of the financial statements, that it is appropriate to continue to adopt the going concern basis of preparation in the financial statements, that there is not a material uncertainty in relation to going concern and that there is no significant judgement involved in making that assessment.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Each element of revenue (described below) is recognised only when:

(i) provision of the goods or services has occurred;

(ii) consideration receivable is fixed or determinable; and

(iii) collection of the amount due from the customer is reasonably assured

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and other sales related taxes. The Group's principal revenue streams and their respective accounting treatments are as follows:

Product Sales

The Group sells a range of products to business customers, retailers and the wholesale market (together "customers"). Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, if a wholesaler or retailer when that entity has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Products may be sold with volume discounts; however, as these are based on monthly sales the discount is accounted for as part of the monthly revenue recognition based on the price specified in the contract, net of the calculated volume discount. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Royalty income

Royalty income from licensing agreements is recognised in accordance with the substance of the relevant agreement (e.g. as a percentage of relevant sales) when the later of the following occurs: (a) the sale or usage occurs; or (b) the performance obligation to which some or all of these royalties has been allocated has been satisfied. Certain income which is termed "royalty income" for commercial purposes actually constitutes agreed and fixed payments over a term; such payments are recognised as revenue at the present value of such payments on the date when the relevant performance obligation is met, (which is usually the signing of an appropriate contract to effect the license) as noted below in "Sale or licence of patents or intellectual property".

Sale or licence of patents or intellectual property

Sales or licences of patents and similar intellectual property are recognised as revenue transactions where considered to be in the normal course of business as a route to market. Revenue is recognised when the performance obligation or obligations in the contract are satisfied and amounts due and expected to be recoverable based on best estimates, discounted at an imputed cost of funds where amounts receivable include amounts falling due after more than one year.

Generally the Group has no significant performance obligations after signing of the relevant contract, and a receivable is recognised when the performance obligation is met as this is the point in time that consideration is unconditional because only the passage of time is required before payments are due. Given the long-term nature of many of these contracts, trade receivables may be categorised as short-term and long-term.

IFRS 15 also requires the Group to adjust the expected amount of consideration to reflect the time value of money if the contract has a significant financing component, irrespective of the recognition of sale of IP, licence or service income as the case may be.

Leases

Applying IFRS 16, for all leases (except as noted below), the Group:

(i) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;

(ii) recognises depreciation of right-of-use assets, and interest on lease liabilities, in the consolidated statement of comprehensive income; and

(iii) separates the total amount of cash paid in respect of lease obligations into a principal portion and interest (both presented within financing activities) in the consolidated statement of cash flows.

Lease payments under (i) are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's estimated incremental borrowing rate. The finance expense is charged to the Consolidated Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Additionally under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

For short-term leases (lease term of 12 months or less) and leases of low-value assets the Group has opted to recognise a lease expense on a straight-line basis as permitted by the Standard. This expense is presented within other expenses in the consolidated statement of profit or loss.

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in UK Sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Exchange differences arising on the settlement of monetary items, are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period where it approximates the rates on the dates of the underlying transactions. Exchange differences arising, if any, are recognised in other comprehensive income.

Share-based payments

The Group has applied the requirements of *IFRS 2 Share-based payments* in respect of options granted under various employee share option schemes. Under the terms of these schemes the Group is able to make equity-settled share-based payments to certain employees and Directors by way of issue of options over ordinary shares. Such equity-settled share-based payments are measured at fair value at the date of grant. This fair value is determined as at the grant date of the options and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of options that will eventually vest. A corresponding amount is credited to equity reserves.

Fair value is measured by use of an options model and key inputs to that model have been assessed as follows:

- expected volatility was based upon historical volatility and applied over the expected life of the schemes;
- expected life was based upon historical data and was adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations; and
- risk-free rate was taken as the UK gilt yields as appropriate for the expected life of the options concerned

Proceeds received on exercise of share options and warrants are credited to share capital (in respect of nominal value) and share premium account (in respect of the excess over nominal value). Cancelled options are accounted for as an acceleration of vesting. The unrecognised grant date fair value is recognised in the consolidated statement of comprehensive income in the year that the options are cancelled.

Taxation

Any tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's potential liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are provided in full, with no discounting, for all taxable temporary differences; deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Development expenditure

Expenditure on the development of the Group's products and processes where it meets certain criteria (given below), is capitalised and subsequently amortised on a straight-line basis over its useful life. Where no internally generated intangible asset can be recognised, development expenditure is written-off in the period in which it is incurred.

An asset is recognised only if all of the following conditions are met:

- the product is technically feasible and marketable;
- the Group has adequate resources to complete the development of the product;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably

Development expenditure is amortised on a straight-line basis over a maximum of 10 years, such amortisation being charged to profit or loss. In determining the amortisation policy of an intangible asset, its useful economic life in terms of years is considered. Where a finite useful economic life of an asset can be estimated, amortisation is calculated from the point to which the asset is brought into use and charged to profit and loss over its lifetime.

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

Patents

The costs incurred in purchasing licences and establishing patents are measured at cost, net of any amortisation and any provision for impairment. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intellectual property/patents	Over 10 years on a straight-line basis

Disposal of intangible assets

Any gain or loss arising on the disposal of intangible assets is recognised within the profit and loss account.

Customer relationships

Customer relationships acquired are recognised as intangible assets at their fair value on acquisition, less impairment (if any). Customer relationships are amortised on a straight-line basis over 10 years.

Brands

Brands acquired are recognised as intangible assets at their fair value on acquisition, less impairment (if any). Brands are amortised on a straight-line basis over 10 years.

Business combinations, goodwill and contingent consideration

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of any assets transferred to the vendors of the acquired business
- liabilities to the vendors incurred
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its fair value on the acquisition date and included as part of the consideration transferred in a business combination.

Acquisition-related costs are expensed as incurred.

Goodwill

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill, which is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment. For the purpose of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been assessed. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Any impairment loss is recognised as an expense through profit and loss.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Cost comprises purchase price and other directly attributable costs. Depreciation is charged so as to write off the cost or valuation of assets to their residual values over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	Over 3 years on a straight-line basis
Office equipment	Over 5 years on a straight-line basis

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct material cost, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

Provision is made where necessary for obsolete, slow moving inventory where it is deemed that the costs incurred may not be recoverable.

Financial assets

Financial assets are recognised on the consolidated statement of financial position when the Group has become a party to the contractual provisions of the instrument. The Group's financial assets consist of cash, deposits, and receivables. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group has reviewed its business model for its financial assets and has concluded that they are held for collecting contractually associated cash flows. With the exception of trade receivables that do not contain a significant financing component, or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 as described in the revenue accounting policy above.

In accordance with IFRS 9 the Group recognises lifetime expected credit losses for trade receivables and contract assets. The Group uses the Simplified Approach under IFRS 9 applying a provision matrix to measure lifetime expected credit losses and after taking into account customers with different credit risk profiles and an assessment of both the current as well as the forecast conditions at the reporting date, including time value of money where appropriate. The Directors applied a percentage "probability of default" to the receivables balance related to the underlying credit rating of the customer which resulted in a hypothetical expected default amount which was not material to the Group's financial statements. A specific provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Long-term trade receivables

Long-term trade receivables represent amounts relating to revenue recognised at the date of the statement of financial position but not yet due or invoiceable under the terms of the contract. These arise most typically for the Group as a result of licences of IP or technology where the consideration is structured as an upfront payment followed by a series of additional payments, which may comprise fixed sums or fixed sums plus sums relating to some measure of (for example) sales made by the purchaser of the licence. Such payments may extend over several years. Under IFRS 15, if the contract is

a “right to use” contract, then the upfront and fixed payments are recognised on transfer of the licence at their aggregate present value using an imputed cost of funds.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities and equity instruments

Equity and debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The Group’s financial liabilities include trade and other payables and borrowings which are measured at amortised cost using the effective interest rate method. Financial liabilities are recognised on the consolidated statement of financial position when the Group has become a party to the contractual provisions of the instrument.

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group, such as ordinary share capital, are recognised at the proceeds received net of direct issue costs.

Provisions

Provisions are recognised when the Group has a present obligation because of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors’ best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Exceptional items

Exceptional items are those items of income or expense which, due to their nature, are deemed appropriate to be disclosed separately in the financial statements to provide further understanding of the financial performance of the Company or the Group.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates or judgements of likely outcome. Estimates and underlying assumptions are regularly reviewed by management. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions and critical accounting judgements concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Capitalised development costs

Critical judgements – Determining whether development costs qualify for capitalisation as intangible assets requires judgement, including assessments of the nature of the work underlying the costs carried out by relevant employees and whether it is directly related to the relevant intangible asset and the technical and commercial viability of the asset created.

Estimation uncertainty – Revenue generation from capitalised development costs in future periods can place significant risk on the estimates relating to the useful economic life of the intangible asset. These estimates are continually reviewed and updated by management. Any impairment is identified as part of the impairment reviews as detailed below.

Impairment reviews

Estimation uncertainty – Management use long-term forecasts of cash flow and future growth estimates to both value and assess the useful economic life of the acquired intangible fixed assets and goodwill to determine if these are impaired. Estimates for the future growth, and appropriate discounted cash flows are required to calculate carrying values of these assets. Assumptions regarding sales and operating profit growth, gross margin, and discount rate are considered to be the key areas of estimation in the impairment review process – further disclosure regarding such estimates is made in Note 18.

In valuing these assets and liabilities, judgement is required as to the likelihood of occurrence of future events which will affect the value of such assets.

Inventory Provision

Estimation uncertainty – In determining an estimate of NRV of inventory, management has made judgements in respect of the durability and general high quality of the Group's products, which provide a certain degree of protection against adverse market conditions.

Further information on these factors is given in the Strategic Report and in the section on "Principal risks and uncertainties".

5 Revenue analysis

For the year ended 31 March 2024, there was no one customer that represented more than 10% of the Group's revenue.

An analysis of revenue (and the related gross profit) by product or service and by geography is given below:

Revenue by type

To 31 March 2024

	Professional £'000	**Consumer** £'000	**Total** £'000
Product sales	3,429	541	3,970
Royalty and licensing income	-	-	-
Total revenue	**3,429**	**541**	**3,970**

To 31 March 2023

	Professional £'000	**Consumer** £'000	**Total** £'000
Product sales	3,672	639	4,311
Royalty and licensing income	281	-	281
Total revenue	**3,953**	**639**	**4,592**

Gross profit by type

To 31 March 2024

	Professional £'000	Consumer £'000	Total £'000
Product sales	1,422	241	1,663
Royalty and licensing income	-	-	-
Total gross profit	**1,422**	**241**	**1,663**

To 31 March 2023

	Professional £'000	Consumer £'000	Total £'000
Product sales	1,561	275	1,836
Royalty and licensing income	281	-	281
Total gross profit – pre-exceptional item	**1,842**	**275**	**2,117**

Revenue by geography

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

	2024 £'000	2023 £'000
United Kingdom	3,400	3,442
Rest of World	541	970
North America	29	180
Total operations	**3,970**	**4,592**

Customer concentration

The Group has no customers representing individually over 10% of revenue each (2023: nil).

Licence revenue and finance income

Licence 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 financial year 2024 this figure amounts to licence revenue of £nil and related notional interest income of £76,000 (2023: £0.3m and £101,000).

Non-current assets

All of the Group's non-current assets (comprising intangible assets, goodwill, deferred tax assets, plant, property and equipment, and long-term contract assets and trade receivables) are held in the UK.

6 Operating expenses

(Loss)/Profit for the year has been arrived at after charging/(crediting):

	2024	2023
	£'000	£'000
Amortisation and impairment of intangible non-current assets	440	642
Depreciation of tangible non-current assets	28	34
Staff costs (see note 9)	1,972	2,010
Research & development costs (net of capitalisation)	196	208
Research and development (R & D) tax credits	(200)	(262)
Short-term lease expenses	103	108
Realised foreign exchange (gains)/losses	64	(112)

7 Non-GAAP profit measures and exceptional items

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

Year to 31 March	**2024**	**2023**
	£'000	£'000
Operating (Loss)	**(2,890)**	**(1,857)**
Amortisation and depreciation	477	689
EBITDA	**(2,413)**	**(1,168)**
Adjusted for:		
Loss on patent abandonment	50	64
Revenue recognised as interest under IFRS 15	76	101
Expensed share-based payments	115	33
Exceptional items:		
- Inventory Provision	-	258
- IP contract termination	544	-
- Development cost provision	626	-
- Delisting costs	34	-
Total exceptional items	1,204	258
Adjusted EBITDA	**(968)**	**(712)**

The criteria for adjusting operating income or expenses in the calculation of adjusted EBITDA are that they 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.

Exceptional items in the year include a loss on IFRS 15 royalty income due to the early termination of two licence agreements along with associated development costs where applicable. Also included within exceptional items is the provision against two projects where work has been temporarily scaled back to enable the technical department to focus on those projects that are already commercialised and bringing revenue into the business. Additionally, following the decision in the final quarter of the year to start the process of delisting the company from the AIM market of the London Stock Exchange all costs associated with this have been included within exceptional items within the March 2024 group statement of comprehensive income.

Adjustment for share-based payment expense is made because, once the cost has been calculated for a given grant of options, the Directors cannot influence the share-based payment charge incurred in subsequent years relating to that grant; also, the value of the share option to the employee differs considerably in value and timing from the actual cash cost to the

Group. An adjustment has not been made for R&D tax credits because they are considered to be an ongoing part of the Group's continuing operations.

EBITDA (and adjusted EPS) are financial measures that are not defined or recognised under IFRS and should not be considered as alternatives to other indicators of the Group's operating performance, cash flows or any other measure of performance derived in accordance with IFRS. Accordingly, these non-IFRS measures should be viewed as supplemental to, but not as a substitute for, measures presented in this Annual Report and Accounts. Information regarding these measures is sometimes used by investors to evaluate the efficiency of an entity's operations; however, there are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

8 Auditor's remuneration

Year to 31 March	2024 £'000	2023 £'000
Charged in the financial year:		
Audit of the financial statements of Byotrol	35	43
Total expense relating to year	**35**	**43**

9 Staff costs

The average monthly number of persons (including Executive Directors) employed by the Group in continuing operations during the year was:

Year to 31 March	2024	2023
Directors	5	5
Research and development	9	10
Sales	11	11
Technical support	7	7
Finance and administration	3	3
	35	**36**

The staff costs for the year for the above employees were:

Year to 31 March	2024 £'000	2023 £'000
Wages and salaries	1,961	2,000
Social security contributions	225	243
Other pension costs	93	83
Less: amounts capitalised as intangible assets	(307)	(316)
	1,972	**2,010**

10 Directors' remuneration and transactions

The Directors' emoluments in the year ended 31 March 2024 were:

	2024 £'000	2023 £'000
Directors emoluments	504	476
Company contributions to defined contribution pension scheme	40	33
	544	**509**

The highest paid director received £189k (2023 £189k).

11 Share-based payments

The Company has granted equity-settled share options to certain directors and employees. Exercise prices of options granted are set to be equal to or more than the market value of the shares at the date of grant. Options granted have a life of 10 years.

Options outstanding

At 31 March 2024 there were options outstanding over 32,764,650 (2023: 36,179,650) ordinary shares of 0.25p each which are exercisable at prices in the range from 0.0p to 6.0p under the Company's various share option schemes, at various times until 2029. Options outstanding at 31 March 2024 had a weighted average exercise price of 2.46p (2023: 2.52p) and a weighted average remaining contractual life of 4.30 years (2023: 4.92 years).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	No. of options		Average exercise price	
	2024	**2023**	**2024**	**2023**
Outstanding at the beginning of the year	36,179,650	17,249,650	2.52p	4.14p
Granted during the year	-	21,250,000	0p	1.61p
Forfeited during the year	(3,415,000)	(2,320,000)	3.03p	6.32p
Exercised in the year	-	-	-	-
Outstanding at the end of the year	**32,764,650**	**36,179,650**	**2.46p**	**2.52p**

The exercise prices of options outstanding fall in the following ranges:

Range	Number of options
0.0 – 1.0p	6,000,000
1.1 – 2.0p	1,600,000
2.1 – 3.0p	16,450,000
3.1 – 4.0p	5,904,650
4.1 – 5.0p	60,000
5.1 – 6.0p	2,750,000
	32,764,650

Options issued during the year

There were no share options issued during the year.

The number of options exercisable at 31 March 2024 is 9,037,638 (2023: 11,537,638).

The Group recognised the following expense related to share based payments:

	2024 £'000	2023 £'000
Charged to Consolidated Statement of Comprehensive Income	115	33

Of this amount £32,024 (2023: £9,275) relates to costs of share options issued to subsidiary employees.

The share price per share at 31 March 2024 was 0.25p (31 March 2023: 1.65p)

12 Finance income

	2024 £'000	2023 £'000
Interest receivable on interest-bearing deposits	4	2
Notional interest accruing on contracts with a significant financing component	76	101
Total finance income	**80**	**103**

13 Finance expense

	2024 £'000	2023 £'000
Interest and finance charges paid or payable on borrowings	139	70
Interest on lease liabilities under IFRS 16	1	1
Total finance expense	**140**	**71**

14 Taxation

Tax on profit on ordinary activities

Year to 31 March	2024 £'000	2023 £'000
Current tax		
UK corporation tax charge/(credit) on profit for the current year	-	-
UK corporation tax charge/(credit) on Other Comprehensive Income	-	-
Adjustment in respect of prior years	(-)	(21)
Total current income tax	**(-)**	**(21)**
Deferred tax		
(Recognition)/derecognition of deferred tax asset arising from tax losses	160	(33)
(Recognition)/derecognition of deferred tax asset recognised on share based payments	1	5
Origination/(Reversal) of deferred tax liability	(47)	(84)
Total deferred income tax charge/(credit)	**114**	**(112)**
Total income tax expense/(credit) recognised in the year	**114**	**(133)**

Reconciliation of the total tax charge

The current rate for corporation tax in the UK is 25% for profits in excess of £250,000. This tax rate should therefore be considered when calculating deferred tax on temporary differences expected to reverse on or after 1 April 2024.

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate is as follows:

Year to 31 March	**2024**	**2023**
	£'000	£'000
(Loss) before taxation	**(2,950)**	**(1,825)**
Tax charge/(credit) at the applicable rate of 25% / 19%	(737)	(347)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Fixed asset differences	-	11
Expenses not deductible for tax purposes and other permanent items	37	16
Income not taxable and other permanent items	(15)	(8)
Adjustments in respect of prior periods (deferred tax)	(-)	(2)
Deduction for R&D expenditure credits	22	(64)
Remeasurement of deferred tax for changes in tax rates	(-)	(70)
Deferred tax not recognised on losses	807	331
Income tax (credit) /expense recognised for the year	**114**	**(133)**

The tax effect of exchange differences recorded within the Group Statement of Comprehensive Income is nil (2023: £nil).

Temporary differences associated with Group investments

At 31 March 2024, there was no recognised deferred tax liability (2023: £nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

Factors affecting future tax charges

The current rate for corporation tax in the UK is 25% for profits in excess of £250,000. The deferred tax balances within these financial statements have been assessed to reflect the rates within the period that any related timing difference is expected to reverse.

Note 21 gives further details on the Group's recognised and unrecognised tax losses and the associated deferred tax assets.

15 Earnings

The following sets out the earnings and share data used in the basic and diluted earnings per share computations:

Denominator for earnings per share calculations

Year to 31 March	**2024**	**2023**
	Number	Number
Weighted number of ordinary shares in issue	453,890,405	453,890,405
Effect of dilutive potential ordinary shares (when profitable)	2,881,738	2,059,553
	456,772,143	455,949,958

The Group has two categories of potentially dilutive ordinary share. The first is share options granted to employees where the exercise price (plus the remaining expected charge to profit under IFRS 2 per option) 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.

The second relates to the Convertible Bond. The Group issued a Convertible Bond for £1m in July 2022 to new and existing investors in the Company, including Board directors. The Loan Notes have a term of five years, are senior in ranking, unsecured and convertible at investors' option into ordinary shares in the capital of the Company ("Ordinary Shares") at a price of 3.25 pence per Ordinary Share, representing a 30% premium to the mid-price of the Company's share price at close of business on 26 July 2022. The Loan Notes carry a coupon of 9% per annum, payable quarterly in arrears. Based on the issue size of £1,000,000, the Loan Notes would, if converted, represent approximately 30,769,230 Ordinary Shares, amounting to 6.8% of the current issued share capital of the Company. However, as the average Byotrol share price since the issue of the Convertible Bond has been below the 3.25p conversion price, these are currently classed as non-dilutive and do not feature in the Denominator calculation above.

Numerator for earnings per share calculations

Year to 31 March 2024	£'000
	Total
(Loss)/Profit attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(3,064)**
Adjusting items:	
- share-based payments	115
- exceptional items	1,204
- amortisation of acquisition-related intangibles	298
- deferred tax charge arising from acquisition-related intangibles	(47)
Adjusted earnings attributable to owners of the Parent	**(1,494)**

Year to 31 March 2023	£'000
	Total
Profit/(loss) attributable to ordinary equity holders of the Company (numerator for basic earnings per share calculation)	**(1,692)**
Adjusting items:	
- share-based payments	33
- exceptional items	258
- amortisation of acquisition-related intangibles	299
- deferred tax credit arising from acquisition-related intangibles	(84)
Adjusted earnings attributable to owners of the Parent	**(1,186)**

Earnings per share

	2024 £'000	2023 £'000
- basic	**(0.68p)**	**(0.37p)**
- diluted	**(0.67p)**	**(0.37p)**

Adjusted earnings per share

	2024 £'000	2023 £'000
- basic	**(0.33p)**	**(0.26p)**
- diluted	**(0.33p)**	**(0.26p)**

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 7. 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.

16 Group investments

The Company has investments in subsidiary undertakings which are detailed in the notes to the Company financial statements. Associate undertakings, which contribute to the net assets of the Group, are:

Subsidiary undertakings	Country of incorporation and operation	Registered office	Principal activity	Interest held by the Company
Medichem International Limited*	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Ownership of patents and registrations	50% ordinary shares
Medimauve Limited	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Dormant	50% Ordinary Shares

* Dissolved at Companies House post year end

17 Dividends paid and proposed

No dividends were declared or paid during the year and no dividends will be proposed for approval (2023: none).

18 Intangible assets

Intangible assets comprise capitalised development costs (in relation to internally generated technology, products and processes and those acquired through business combinations), acquired customer relationships, acquired brands, patents and licences, and goodwill.

An analysis of goodwill and other intangible assets is as follows:

Year to 31 March 2024	Development costs £'000	Patents and licences £'000	Customer relationships £'000	Brands £'000	Goodwill £'000	**Total £'000**
Cost						
At 1 April 2023	2,244	663	1,861	567	502	**5,837**
Additions	319	35	-	-	-	**354**
Disposals	(166)	(68)	-	-	-	**(234)**
At 31 March 2024	2,397	630	1,861	567	502	**5,957**
Amortisation and impairment						
At 1 April 2023	(933)	(492)	(857)	(337)	-	**(2,619)**
Amortisation charge	(165)	(25)	(186)	(64)	-	**(440)**
Provision for impairment	(626)	-	-	-	-	**(626)**
Disposals	97	19	-	-	-	**116**
At 31 March 2024	(1,627)	(498)	(1,043)	(401)	-	**(3,569)**
Net carrying amount						
At 31 March 2024	**770**	**132**	**818**	**166**	**502**	**2,388**
At 1 April 2023	*1,311*	*171*	*1,004*	*230*	*502*	***3,218***

Year to 31 March 2023	Development costs £'000	Patents and licences £'000	Customer relationships £'000	Brands £'000	Goodwill £'000	**Total £'000**
Cost						
At 1 April 2022	1,902	701	1,861	567	502	**5,533**
Additions	342	77	-	-	-	**419**
Disposals	-	(115)	-	-	-	**(115)**
At 31 March 2023	2,244	663	1,861	567	502	**5,837**
Amortisation and impairment						
At 1 April 2022	(621)	(511)	(671)	(224)	-	**(2,027)**
Amortisation charge	(312)	(32)	(186)	(113)	-	**(643)**
Disposals	-	51	-	-	-	**51**
At 31 March 2023	(933)	(492)	(857)	(337)	-	**(2,619)**
Net carrying amount						
At 31 March 2023	**1,311**	**171**	**1,004**	**230**	**502**	**3,218**
At 1 April 2022	*1,281*	*190*	*1,190*	*343*	*502*	*3,506*

Amortisation is charged to the profit and loss account under Administrative Expenses. One technology / patent group included in development costs and patents and licences above is material to the Group. This is Technology A with a book value of £541k across both development costs and patents where amortisation has started as commercialisation commenced in FY23.

Development costs

Development costs comprise capitalised staff costs (and allocable related direct costs) associated with the development of new products and services which will be saleable to more than one customer.

Impairment of development costs

In March 2024 an impairment of development costs totalling £626k was recorded due to the business temporarily scaling back the activities on our Plant-based and Seaweed projects with the timings of commercialisation of both these not yet confirmed. These technologies remain in our development portfolio and when suitable opportunities arise in future, we will actively look to promote and develop them further accordingly.

Patents

Patent costs represent the capitalised value of work undertaken (either internally or externally by appropriate legal or other consultants) to develop and protect patents, know-how and other similar assets.

Customer relationships

Customer relationships as stated were acquired as a result of the Medimark Acquisition.

Goodwill

Goodwill arose as a result of the Medimark Acquisition. It is assessed as having an indefinite life but the Group tests whether goodwill has suffered any impairment on an annual basis. The Medimark CGU comprises the brands, contracts and customer relationships acquired as part of the Medimark Acquisition, as well as certain IP and the related workforce. The goodwill relating to this CGU was tested for impairment at 31 March 2024 by comparing the carrying value of the CGU with the recoverable amount. The recoverable amount was determined using a value in use methodology based on discounted cash flow projections. The key assumptions used in the value in use calculations were as follows:

(i) The operating cash flows for this business for the years to 31 March 2025 and 2026 are taken from the budget approved by the Board which is closely linked with recent historical performance and current expected levels of activity, combined with management's strategic objectives for the business in future years and underlying market trends. The operating cash flow budget is most sensitive to sales;

(ii) Growth has been assumed in operating cash flows for the remainder of the value in use such that a consistent pre-tax margin is maintained over the calculation period. In line with the GAAP for impairment reviews, the cash flow projections have been prepared over a 5 year period, with an overall compound growth rate in sales of 4.9%;

(iii) A post-tax discount rate of 22.0% has been used (being the Weighted Average Cost of Capital)

Sensitivity to changes in assumptions

The key assumptions for the value in use calculations are those regarding growth rates, discount rates and expected changes to selling prices and direct costs during the period. Changes in selling prices and direct costs, if any, are based on expectations of future changes in the market. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money.

The Group has conducted sensitivity analyses on the impairment test of the goodwill's carrying value which reflects the risk profile of the Medimark CGU. The Group believes that there are no reasonably possible changes to the key assumptions in the next year which would result in the carrying amount of goodwill exceeding the recoverable amount. This view is based upon inherently judgemental assumptions; however, it takes account of the headroom in the Value-in-Use calculation versus the current carrying value and the Board is confident that the assumptions in respect of operating cash flows remain appropriate

Conclusion

The Directors have concluded that, based on the above, recoverable value exceeds the carrying value of the goodwill at 31 March 2024.

19 Tangible assets

Year to 31 March 2024	Computer equipment £'000	Plant and machinery £'000	**Total £'000**
Cost			
At 1 April 2023	88	181	**269**
Additions	-	4	**4**
Disposals	(5)	(8)	**(13)**
At 31 March 2024	83	177	**260**
Depreciation			
At 1 April 2023	(70)	(138)	**(208)**
Charge for the year	(10)	(18)	**(28)**
Elimination on disposal	4	8	**12**
At 31 March 2024	(76)	(148)	**(224)**
Net carrying amount			
At 31 March 2024	**7**	**29**	**36**
At 1 April 2023	*18*	*43*	*61*

Year to 31 March 2023	Computer equipment £'000	Plant and machinery £'000	**Total £'000**
Cost			
At 1 April 2022	83	163	**246**
Additions	5	18	**23**
Disposals	-	-	**-**
At 31 March 2023	88	181	**269**
Depreciation			
At 1 April 2022	(57)	(116)	**(173)**
Charge for the year	(13)	(22)	**(35)**
Elimination on disposal	-	-	**-**
At 31 March 2023	(70)	(138)	**(208)**
Net carrying amount			
At 31 March 2023	**18**	**43**	**61**
At 1 April 2022	*26*	*47*	*73*

20 Right-of-use assets

Right-of-use assets comprise leases over office buildings and vehicles as follows:

Year to 31 March 2024	Office buildings £'000	Vehicles £'000	**Total** £'000
Cost			
At 1 April 2023	103	26	**129**
Additions in the period	-	-	**-**
Disposals	(103)	-	**(103)**
At 31 March 2024	**-**	**26**	**26**
Depreciation			
At 1 April 2023	(103)	(13)	**(116)**
Charge for the period	(-)	(9)	**(9)**
Elimination on disposal	103	-	**103**
At 31 March 2024	**-**	**(22)**	**(22)**
Net carrying amount			
At 31 March 2024	**-**	**4**	**4**
At 1 April 2023	-	*13*	*13*

Year to 31 March 2023	Office buildings	Vehicles	**Total**
	£'000	£'000	£'000
Cost			
At 1 April 2022	103	26	**129**
Additions in the period	-	-	**-**
Disposals	-	-	**-**
At 31 March 2023	103	26	**129**
Depreciation			
At 1 April 2022	(99)	(5)	**(104)**
Charge for the period	(4)	(8)	**(12)**
Elimination on disposal	-	-	**-**
At 31 March 2023	(103)	(13)	**(116)**
Net carrying amount			
At 31 March 2023	**-**	**13**	**13**
At 1 April 2022	*4*	*21*	*25*

21 Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting period:

Recognised deferred tax assets

	Tax losses	Share-based payments	**Total**
	£'000	£'000	£'000
At 1 April 2022	127	7	**134**
Recognised in profit or loss	33	(5)	**28**
Recognised directly in equity	-	1	**1**
At 31 March 2023	**160**	**3**	**163**
At 1 April 2023	160	3	**163**
Recognised in profit or loss	(160)	(2)	**(162)**
Recognised directly in equity	-	(1)	**(1)**
At 31 March 2024	**-**	**-**	**-**

At 31 March 2024 the Group had an unrecognised deferred tax asset relating to unutilised trading losses and other temporary differences of £5.86m (2023: £4.61m).

Deferred tax liabilities

	2024	**2023**
	£'000	£'000
At 1 April	**299**	**383**
Recognised in profit or loss	(47)	(84)
At 31 March	**252**	**299**
Comprising:		
Amounts recognised on intangible assets arising on consolidation	252	299
	252	**299**

22 Inventories

	2024	2023
	£'000	£'000
Raw materials and consumables	117	284
Finished goods and goods for resale	226	210
	343	**494**

Inventories recognised as an expense during the year ended 31 March 2024 amounted to £1.8m (2023: £2.6m). These are included in cost of sales in the Consolidated Statement of Comprehensive Income.

23 Trade and other receivables

At 31 March	**2024**	**2023**
	£'000	£'000
Trade receivables – product sales	639	794
Prepayments and accrued income	152	224
Other receivables	2	47
Current portion of long-term trade receivables (IP sales)	323	604
Total other assets	**1,116**	**1,669**

Trade terms, credit risk and impairments

The Group's exposure to credit risk equates to the carrying value of cash held on deposit and trade and other receivables and contract assets. The Group's credit risk is primarily attributable to trade receivables and contract assets, and management has a credit policy in place to ensure exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers as deemed necessary based on, inter alia, the nature of the prospect and size of order.

Unless specific agreement has been reached with individual customers, sales invoices are typically due for payment between 30 and 60 days after the date of the invoice; where customers delay making payment, an assessment of the potential loss of customer goodwill arising from the enforcement of contractual payment terms may take place when considering actions to be taken to secure payment. Trade receivables include amounts that are past due at the reporting date for which no specific impairment provision has been recognised as these amounts are still considered to be recoverable. The Group does not require collateral in respect of financial assets.

As outlined in Note 3, the Group recognises impairments under IFRS 9 for relevant classes of assets. The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of a provision matrix to measure the lifetime expected losses. To measure the expected credit losses, trade receivables have been grouped on shared credit risk characteristics and the days past due. The expected loss rates are based on representative historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Taking this and specific impairments into account, a loss allowance for expected credit losses has been recorded as follows:

	2024	2023
	£'000	£'000
Loss allowance at 1 April	8	23
Amounts recovered	(8)	(23)
Specific impairment charge	-	2
Additional expected credit loss provision	1	6
Loss allowance at 31 March	**1**	**8**

Aged analysis of trade receivables

At 31 March 2024	Current	0-30 days	31-60 days	61-90 days	91-120 days	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Gross	473	127	8	5	27	**640**
Additional expected credit loss provision	-	-	-	-	(1)	**(1)**
	473	127	8	5	26	**639**

At 31 March 2023	Current	0-30 days	31-60 days	61-90 days	91-120 days	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Gross	550	155	39	11	47	**802**
Specific impairment	-	-	-	-	(2)	**(2)**
Additional expected credit loss provision	(1)	(1)	(1)	(1)	(2)	**(6)**
	549	154	38	10	43	**794**

The additional expected credit loss provision for trade receivables as at 31 March 2024 is determined as follows:

	Expected loss rate	Carrying amount after specific provision £'000	Additional expected credit loss £'000
Not past due	0.1%	473	-
Past due up to 30 days	0.1%	127	-
Past due between 30 and 60 days	0.5%	8	-
Past due between 61 and 90 days	1.9%	5	-
Past due between 91 and 120 days	2.4%	27	1
		640	**1**

Non-current trade receivables

Non-current trade receivables arise most typically for the Group in sales or licences of IP and/or know-how where the consideration is structured as a series of fixed payments (i.e., "minimum guaranteed amounts"; in addition to such payments there are usually royalty or similar payments due relating to some measure of (for example) sales made by the purchaser of the IP using the relevant products and/or in the relevant geography). Such payments may extend over several years. Under IFRS 15, if the contract is a "right to use" contract, then the upfront and fixed payments are recognised on transfer of the licence or IP at their aggregate present value using an imputed cost of funds. Longer term contracts which give rise to such assets may contain continuing obligations on the part of Byotrol (for example, to provide updates or improvements to the IP transferred to the extent achieved) but such obligations are typically immaterial to the contract overall.

Current portion of long-term trade receivables	**2024**	**2023**
	£'000	£'000
At 1 April	604	535
Recognised in the period, net of cash received	(570)	(41)
Transfer from non-current trade receivables	289	110
At 31 March	**323**	**604**

Due after one year	**2024**	**2023**
	£'000	£'000
At 1 April	1,436	1,561
Recognised in the period	(572)	(15)
Transfer to current	(289)	(110)
A 31 March	**575**	**1,436**

No impairments have been made in respect of long-term trade receivables recognised as at the reporting date.

24 Lease liabilities

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

Year to 31 March 2024

Amounts due in more than one year	Vehicles £'000	**Total** £'000
At 1 April 2023	4	4
Liabilities taken on in period	-	-
Transfer from long-term to short-term	(4)	(4)
At 31 March 2024	**-**	**-**

Amounts due in less than one year	Vehicles £'000	**Total** £'000
At 1 April 2023	8	8
Repayments of principal	(8)	(8)
Transfer from long-term to short-term	4	4
At 31 March 2024	**4**	**4**

Year to 31 March 2023

Amounts due in more than one year	Office buildings £'000	Vehicles £'000	**Total** £'000
At 1 April 2022	-	12	12
Liabilities taken on in period	-	-	-
Transfer from long-term to short-term	-	(8)	(8)
At 31 March 2023	**-**	**4**	**4**

Amounts due in less than one year	Office buildings £'000	Vehicles £'000	**Total** £'000
At 1 April 2022	4	8	12
Repayments of principal	(4)	(8)	(12)
Transfer from long-term to short-term	-	8	8
At 31 March 2023	**-**	**8**	**8**

25 Trade and other payables

At 31 March	**2024** £'000	**2023** £'000
Due within a year		
Trade payables	465	661
Social security and other taxes	145	80
Accruals	173	122
Other creditors	185	-
Total trade and other payables	**968**	**863**

The average credit period taken for trade purchases is between 30 and 60 days. Most suppliers do not charge interest on trade payables for the first 30 days from the date of the invoice. The Group has risk management policies in place to ensure that all payables are paid within the appropriate credit time frame. The Directors consider that the carrying amount of trade payables approximates to their fair value.

26 Convertible loan notes

Amounts due in more than one year -	**Group 2024** £'000	**Group 2023** £'000	**Company 2024** £'000	**Company 2023** £'000
Convertible loan notes	962	962	962	962
At 31 March	**962**	**962**	**962**	**962**

The Group issued a Convertible Bond for £1m in July 2022 to new and existing investors in the Company, including Board directors. The Loan Notes have a term of five years, are senior in ranking, unsecured and convertible at investors' option into ordinary shares in the capital of the Company ("Ordinary Shares") at a price of 3.25 pence per Ordinary Share, representing a 30% premium to the mid-price of the Company's share price at close of business on 26 July 2022. The Loan Notes carry a coupon of 9% per annum, payable quarterly in arrears. Based on the issue size of £1,000,000, the Loan Notes would, if converted, represent approximately 30,769,230 Ordinary Shares, amounting to 6.8% of the current issued share capital of the Company.

The coupon rate of 9% was derived following a review of borrowing rates that were publicly available at the time of this financing exercise from a variety of lending institutions, also allowing for the fact that the Loan Notes are unsecured and acknowledging the premium attached for this. Discussions were also held with our nominated adviser to validate the appropriateness of the coupon rate. In accordance with IAS 32 Financial Instruments and the presentation of the £1m Convertible Bond, we determined an interest rate for debt without conversion of 10% following the review of rates at that time which, when taken into consideration with the coupon rate of 9%, resulted in a debt/equity split £962k and £38k respectively. The £38k can be seen within the Other Reserve on the Group Statement of Changes in Equity.

27 Loans and borrowings

Reconciliation between opening and closing balances for liabilities resulting in financing cash flows

	1 April 2023	Transfer from non-current to current	Cash flows - net (repayments) and drawdowns	**31 March 2024**
	£'000	£'000	£'000	£'000
Non-current liabilities				
Lease liabilities	4	(4)	-	-
Convertible loan notes	962	-	-	962
Current liabilities				
Lease liabilities	8	4	(8)	4
Other creditors	-	-	185	185
Total	**974**	**-**	**177**	**1,151**

The Directors consider that the carrying amount of borrowings approximates to their fair value.

28 Share capital and reserves

Share capital and share premium

Ordinary shares of 0.25p each (issued and fully paid)	£'000	Number
At 1 April 2022	1,135	453,890,405
Issued for cash during the year	-	-
At 31 March 2023	**1,135**	**453,890,405**
Issued for cash during the year	-	-
At 31 March 2024	**1,135**	**453,890,405**

The Ordinary Shares have full equal voting rights, equal participation in dividends, equal participation in distribution on winding up with no redemption rights.

No options (2023: nil) ordinary shares were exercised for proceeds (2023: nil).

Reserves

The nature and purpose of each of the reserves included within equity is as follows:

Retained earnings

The retained earnings reserve represents accumulated profits or losses to date.

29 Financial instruments

Financial risk management

The Group's principal financial instruments are cash, trade receivables, borrowings and trade payables. The Group therefore has exposure to certain risks from its use of financial instruments unrelated to the performance of the Group itself. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance and such risk management is carried out by the Directors.

The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk, as explained below.

- Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign currency movements:

  Interest rate risk - the Group is exposed to interest rate risk arising on cash and cash equivalent balances and bank loans and overdrafts in the prior year. The Group does not consider that it is significantly exposed to interest rate risk, either in the current or prior year, and therefore an interest rate sensitivity analysis is not presented

  Foreign exchange risk - the Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures, principally the US dollar and the Euro. The Group is exposed to foreign currency risk arising from recognised assets and liabilities as well as commitments arising from future trading transactions. Although the countries that the Group trades with have relatively stable economies, management has set up a policy which requires Group companies to manage their foreign exchange risk against their functional currency by closely monitoring spot rate to balance inflows and outflows. A sensitivity analysis of the Group's foreign exchange exposure is not presented as the risk is considered to be insignificant

- Credit risk arises from the Group holding cash and cash equivalents and trade and other receivables. As these instruments are conventional risks, they are managed on the simple basis of credit terms, credit worthiness and cash collection or settlement. Further details on trade receivables, including analysis of bad debts and ageing, are given in note 23. In order to manage credit risk, the Group sets limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. Balances that are beyond agreed terms, are actively followed up to ensure collection

- Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's liquidity risk management and implies maintaining sufficient cash and/or committed borrowing facilities. The Directors monitor rolling forecasts of liquidity, cash and cash equivalents based on expected cash flows, and given that cash resources are held on short-term deposits, total exposure to liquidity risk is not considered material to the Group

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Group statement of changes in equity. The Group is not subject to any externally imposed capital requirements and the objective when managing capital is to maintain adequate financial flexibility to preserve the ability to meet financial obligations, both current and long term - the resulting capital structure is managed and adjusted to reflect changes in economic conditions and with a view to maximising the return to shareholders through optimisation of the balance of debt and equity. Financing decisions are made based on

forecasts of the expected timing and level of capital and operating expenditure required to meet commitments and development plans. There was no change in the Group's approach to capital management during the financial period under review.

Classification of financial instruments

	Group 2024 £'000	Group 2023 £'000
Financial assets at amortised cost		
Trade receivables	1,532	2,834
Cash	315	687
Financial liabilities at amortised cost		
Trade payables	(465)	(661)
Convertible loan notes	(962)	(962)

Fair values of financial assets and financial liabilities

As at 31 March 2024 and 31 March 2023 there were no material differences between the book value and fair value of the Group's financial assets and liabilities. Given that there are no assets or liabilities measured at fair value, disclosure of fair value measurement techniques applied, and level of inputs used is not relevant.

30 Related party transactions

The Directors are deemed to be the only key management personnel of the Group. Their remuneration is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2024 £'000	2023 £'000
Salaries and fees	584	506
Benefits in kind	3	3
Total related party payments	**587**	**509**

Other than disclosed in this note or elsewhere in this financial information as appropriate, no related party transactions have taken place during the year that have materially affected the financial position or performance of the Group.

31 Capital commitments and contingent liabilities

As at 31 March 2024 the Group had no material capital commitments (2023: nil) nor any contingent liabilities (2023: nil).

Company Statement of Financial Position

For the year ended 31 March 2024

	Note	2024 £'000 *(audited)*	2023 £'000 *(audited)*
Assets			
Non-current assets			
Investments in subsidiaries	7	1,219	1,517
Other intangible assets	8	132	171
Trade receivables		440	725
		1,791	**2,413**
Current assets			
Trade and other receivables	9	779	1,655
Cash and cash equivalents		287	234
		1,066	**1,889**
Total Assets		**2,857**	**4,302**
Liabilities			
Non-current liabilities			
Convertible loan notes	10	962	962
		962	**962**
Current liabilities			
Trade and other payables	11	1,998	1,933
		1,998	**1,933**
Total Liabilities		**2,960**	**2,895**
NET (LIABILITIES) / ASSETS		**(103)**	**1,407**
Issued share capital and reserves attributable to owners of the parent			
Share capital	12	1,135	1,135
Share premium		457	457
Other reserve		38	38
Retained (loss)		(1,733)	(223)
TOTAL EQUITY		**(103)**	**1,407**

For the period ended 31 March 2024, the Company recorded a loss of £1.62m (2023: loss of £2.69m).

The financial statements of Byotrol Limited, registered number 05352525 were approved by the board of Directors and authorised for issue on 14 August 2024. They were signed on its behalf by:



Chris Sedwell

Director

The accompanying notes 1 to 14 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital	Share premium	Other reserve	Retained earnings	**Total equity**
	£'000	£'000	£'000	£'000	**£'000**
Balance at 1 April 2022	**1,135**	**457**	**-**	**2,434**	**4,026**
Profit after taxation for the year	-	-	-	(2,690)	(2,690)
Transactions with owners:					
Share-based payments	-	-	-	24	24
Share-based payments to employees of subsidiaries	-	-	-	9	9
Shares issued during the year for cash	-	-	-	-	-
Convertible loan note equity component	-	-	38	-	38
Balance at 31 March 2023	**1,135**	**457**	**38**	**(223)**	**1,407**
(Loss) / Profit after taxation for the year	-	-	-	(1,625)	(1,625)
Transactions with owners:					
Share-based payments	-	-	-	83	83
Share-based payments to employees of subsidiaries	-	-	-	32	32
Shares issued during the year for cash	-	-	-	-	-
Balance at 31 March 2024	**1,135**	**457**	**38**	**(1,733)**	**(103)**

Reserve	**Description and purpose**
Share capital	Nominal value of issued shares
Share premium	Amount subscribed for share capital in excess of nominal value less associated costs
Other Reserve	Equity component arising from issue of Convertible Loan Note
Merger reserve	The merger reserve was established in respect of historic acquisitions
Retained earnings	All other net gains and losses not recognised elsewhere

The accompanying notes 1 to 14 are an integral part of these financial statements.

Notes to the Company financial statements

For the year ended 31 March 2024

1 Material accounting policies

Basis of preparation

The Parent Company financial statements of Byotrol Limited (the "Company") have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework and as required by the Companies Act 2006.

The financial statements have been prepared in UK Sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements are prepared under the historical cost convention and were approved for issue on 14 August 2024.

No profit and loss account is presented by the Company as permitted by section 408 of the Companies Act 2006.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly-owned members of the Byotrol Group.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- business combinations;
- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets

Trade receivables

Short term trade receivables are measured at transaction price, less any impairment. The Company assesses at each reporting date whether any trade receivables or other assets or group of financial assets is impaired.

Taxation

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

- in respect of taxable temporary differences associated within investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited to other comprehensive income or directly to equity if it relates to items that are credited or charged to other comprehensive income or directly to equity. Otherwise, income tax is recognised in the income statement.

Investments in subsidiaries

Investments consist of the Company's subsidiary undertakings. Investments are initially recorded at cost, being the fair value of the consideration given and including directly attributable charges associated with the investment. Subsequently they are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Related party transactions

The Company has taken advantage of the exemption under FRS 101 from disclosing related party transactions with entities that are wholly owned subsidiary undertakings of the Byotrol Group.

2 Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Investments in subsidiary companies

The carrying cost of the Company's investments in subsidiary companies is reviewed at each reporting date by reference to the income that is projected to arise therefrom. From a review of these projections, the Directors have made provisions against their carrying values as the Directors believe that the investments concerned will not generate sufficient economic benefits to justify their carrying values.

3 Auditor's remuneration

The figures within the auditors' remuneration note in the Byotrol consolidated financial statements include fees charged by the Company's auditors to Byotrol Limited in respect of audit and non-audit services. As such, no separate disclosure has been given above.

4 Directors' remuneration

Information concerning Directors' remuneration can be found in note 10 to the Group financial statements.

5 Share-based payments

Share-based payments associated with share options granted to employees of subsidiaries of the parent company are treated as an expense of the subsidiary company to be settled by equity of the parent company. The share-based payment expense increases the value of the parent company's investment in the subsidiaries and is credited to retained earnings.

6 Dividends paid and proposed

No dividends were declared or paid during the year and no dividends will be proposed for approval at the Annual General Meeting of the Company.

7 Investment in subsidiaries

	2024	2023
	£'000	£'000
At 1 April	1,517	3,308
Investment in the period		
Issue of share options to employees of subsidiaries	32	9
Less: impairment	(330)	(1,800)
At 31 March	**1,219**	**1,517**

The impairment is a result of the winding up of Medimark Scientific Limited as per our revision to group strategy, with operations now absorbed within Byotrol in the Chester central office.

Notes to the Company financial statements

For the year ended 31 March 2024

The Company has investments in the following subsidiary and associate undertakings, which contribute to the net assets of the Group:

Subsidiary undertakings	Country of incorporation and operation	Registered office	Principal activity	Interest held by the Company
Byotrol Inc.	USA	PO Box 18514, Atlanta, Georgia, 30326, USA	Dormant	100% of members' capital
Byotrol Consumer Products Limited	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Sale of anti-microbial products	100% ordinary shares
Byotrol Technology Limited	UK	Riverside Works, Collyhurst Road, Manchester, M40 7RU	Sale of anti-microbial products	100% ordinary shares
Chemgene Solutions Limited*	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Dormant	100% ordinary shares
Trigene Limited*	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Dormant	100% ordinary shares
Medimark Scientific Limited	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Sale of anti-microbial products	100% ordinary shares
Smart Antimicrobial Technologies Ireland Limited	ROI	c/o Clinton Higgins, Trident House, Dublin Road, Naas, Kildare, Ireland	Sale of anti-microbial products	100% ordinary shares
Winchpharma (Consumer Healthcare) Limited	UK	Building 303 Pool Lane, Ince, Chester, England, CH2 4NU	Sale of anti-microbial products	100% ordinary shares

* Dissolved at Companies House post year end

8 Intangible assets

Intangible assets comprise capitalised development costs in relation to internally generated technology, products and processes. An analysis of intangible assets is as follows:

Year to 31 March 2024	Patents and licences £'000	**Total £'000**
Cost		
At 1 April 2023	663	**663**
Additions	35	**35**
Disposals	(68)	**(68)**
At 31 March 2024	630	**630**
Amortisation and impairment		
At 1 April 2023	(492)	**(492)**
Amortisation charge	(25)	**(25)**
Disposals	19	**19**
At 31 March 2024	(498)	**(498)**
Net carrying amount		
At 31 March 2024	132	**132**
At 1 April 2023	*171*	***171***

9 Trade and other receivables

	2024 £'000	**2023** £'000
Due within a year		
Trade receivables	145	221
Short-term portion of long-term trade receivables	265	610
Other receivables and prepayments	43	71
Intra-Group receivables	326	753
Total trade and other receivables	**779**	**1,655**

Credit risk and impairments

The Company recognises impairments under IFRS 9 for relevant classes of assets, including reviewing the amount of expected credit loss associated with its trade receivables based on forward looking estimates that take into account current and forecast credit conditions as opposed to relying on past historical default rates. However, given the nature of the receivables recorded by the Company, such provision was deemed by the Directors to be minimal and accordingly no provision has been made.

10 Convertible loan notes

	Group 2024	Group 2023	Company 2024	Company 2023
Amounts due in more than one year -	£'000	£'000	£'000	£'000
Convertible loan notes	962	962	962	962
At 31 March	**962**	**962**	**962**	**962**

The 5-year convertible loan notes were issued on 26 July 2022. Interest accrues on the principal amount of £1,000,000 at 9% per annum, payable quarterly in arrears. The debt if converted, represents approximately 30,769,230 ordinary shares in Byotrol Limited.

11 Trade and other payables

	2024	2023
	£'000	£'000
Due within a year		
Trade payables	66	64
Other payables	138	75
Intra-Group payables	1,794	1,794
Total trade and other payables	**1,998**	**1,933**

12 Reserves

Share capital and share premium

Ordinary shares of 0.25p each (issued and fully paid)	£'000	Number
At 1 April 2022	1,135	453,890,405
Issued for cash during the year	-	-
At 31 March 2023	**1,135**	**453,890,405**
Issued for cash during the year	-	-
At 31 March 2024	**1,135**	**453,890,405**

The Ordinary Shares have full equal voting rights, equal participation in dividends, equal participation in distribution on winding up with no redemption rights.

No options (2023: nil) ordinary shares were exercised for proceeds (2023: nil).

Share capital represents the nominal value of ordinary shares issued and fully paid. Share premium represents the excess of funds raised from the placing of equity shares over the nominal value of the shares after deducting directly attributable placing costs. There are restrictions on the use of the Share Premium Account. It can only be used for bonus issues, to provide for the premium payable on redemption of debentures, or to write off preliminary expenses, or expenses of, or commissions paid on, or discounts allowed on, the same issues of shares or debentures of the Company.

Retained earnings

All other net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

13 Capital commitments and contingent liabilities

As at 31 March 2024 the Group had no material capital commitments nor any contingent liabilities (2023: £nil)

14 Related parties

The Company is exempt from disclosing transactions within the wholly owned subsidiaries in the Group. Other related party transactions are included within those disclosed in the Group consolidated financial statements.