

**BIOLINE AGROSCIENCES LIMITED**

**Annual Report and Financial Statements**

For the year ended 30 June 2018

**Registered Number: 02305412**

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**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2018**

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## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **COMPANY SUMMARY**

#### **Directors**

M Fournier  
Mr L Martel  
Mr P Hamelin (Resigned 29 June 2018)  
Mr L Pokorny (Appointed 29 June 2018)

#### **Secretary**

Eriska Secretaries Limited

#### **Registered Office**

Telstar Nursery  
Holland Road  
Little Clacton  
Essex  
CO16 9QG

#### **Auditor**

Ernst & Young LLP  
One Cambridge Business Park  
Cambridge  
CB4 0WZ

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **STRATEGIC REPORT for the year ended 30 June 2018**

The directors present their strategic report for the year ended 30 June 2018.

#### **Business review and results**

The statement of comprehensive income for the year is set out on page 11.

The key financial indicators during the year were as follows:

	<b>Year ended 30 June 2018</b>	<b>Year ended 30 June 2017</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	13,782	1,668
Gross Profit	7,097	1,668
Gross Profit as percentage of turnover	51%	100%
Net assets	11,754	14,691

On 1 July 2017 the assets, liabilities and trade of Bioline Production Limited were transferred at book value to Bioline Agrosciences Limited. Accordingly, the current year includes the trade of both business whereas in the prior year it was just Bioline Agrosciences Limited activities.

#### **Principal activities**

The principal activities of the company are the production and sale of beneficial insects and mites and the development of integrated crop management programmes in the agricultural and horticultural industries.

#### **Principal risks and uncertainties**

- **Credit risk**

As the business is partly driven by the climate, there is a credit risk from customers adversely affected by poor environmental conditions. In addition the company sells to many small farms and nurseries for which cash flow can prove to be an issue in such a seasonal business sector.

- **Competitive risk**

The company has competitors in all areas of its business. There is a constant pressure to continue to develop the performance of existing products and to bring new products to the market.

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **STRATEGIC REPORT for the year ended 30 June 2018 (continued)**

#### **Principal risks and uncertainties (continued)**

- Liquidity risk

As a company who has a bank balance as at 30 June 2018 of £1,304,608 (30 June 2017 of £102,465) and who is considered to be highly cash generative we do not consider liquidity to be a financial risk.

- Foreign exchange risk

Foreign currency risk is monitored and managed by the company's parent company Invivo Agrosiences SAS.

#### **Research and development**

Expenditure on research, product development and trials amounted to £364,931 (period ended 30 June 2017: £236,082).

By order of the board

  
L. ROKORNY  
Director

20/12/18

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **DIRECTORS' REPORT for the year ended 30 June 2018**

The directors present their report and the audited financial statements for the year ended 30 June 2018.

#### **Results**

The profit after tax for the year was £6,719,878 (year ended 30 June 2017: £160,282 profit).

#### **Dividends**

The directors did not declare or pay a dividend in the year ended 30 June 2018 (year ended 30 June 2017: £nil).

#### **Significant events**

During the year the assets, liabilities and trade of Bioline Production Limited, (the company's subsidiary undertaking) were transferred at book value to Bioline Agrosciences Limited.

#### **Employee involvement and employment policy**

The company maintains an open management style and involves employees in both daily decisions and longer-term matters. Bioline's policy is that there should be no discrimination against any person for any reason that is not relevant to the effective performance of their job. All judgements about people for the purposes of recruitment, development and promotion are made solely on the basis of their ability and potential in relation to the needs of the job. It is the company's policy that disabled people should have the same consideration as others for job vacancies. Depending on their skills and abilities they enjoy the same career prospects as other employees and the same scope for realising their potential.

#### **Going Concern**

After making an assessment of the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Directors**

The directors whose names appear on page 2 of this report were directors of the company during the year and remain so at the date of the report (unless stated otherwise).

#### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that the director might reasonably be expected to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**By order of the board**

  
**L. POKORNY**  
Director

20/12/18

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT TO THE STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK 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 will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLINE AGROSCIENCES LIMITED**

#### **Opinion on financial statements**

We have audited the financial statements of Bioline Agrosciences Limited for the year ended 30 June 2018 which comprise the Statement of Comprehensive income, Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements

- ▶ give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006

#### **Basis for opinion on financial statements**

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 below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLINE AGROSCIENCES LIMITED (CONTINUED)**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of directors' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLINE AGROSCIENCES LIMITED  
(CONTINUED)**

**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.

*Fraser Bull* LLP

Fraser Bull (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge

Date:

*20 December 2018*

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018**

	Note	Year ended 30 June 2018	Year ended 30 June 2017
		£	£
<b>Turnover</b>	2	13,781,887	1,668,366
<b>Cost of sales</b>		(6,684,748)	-
<b>Gross profit</b>		<b>7,097,139</b>	1,668,366
Distribution Costs		(1,049,719)	-
Administrative expenses		(5,502,937)	(1,497,022)
<b>Operating profit</b>		<b>544,483</b>	<b>171,344</b>
Interest receivable and similar income	5	48,132	35,837
Dividends Received		6,400,000	-
<b>Profit on ordinary activities before taxation</b>	6	<b>6,992,615</b>	<b>207,181</b>
Tax charge on profit on ordinary activities	7	(106,197)	(46,899)
<b>Profit for the year</b>		<b>6,886,418</b>	<b>160,282</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>6,886,418</b>	<b>160,282</b>

All activities are continuing.

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**STATEMENT OF FINANCIAL POSITION as at 30 June 2018**

	Note	30 June 2018 £	30 June 2017 £
<b>Fixed assets</b>			
Tangible fixed assets	8	2,166,845	852,418
Investments	10	248,179	10,071,639
Intangible fixed assets	9	-	298,667
		<b>2,415,024</b>	<b>11,222,724</b>
<b>Current assets</b>			
Stocks	11	1,034,458	-
Debtors	12	10,007,842	3,681,936
Cash at bank and in hand		1,304,608	102,465
		<b>12,346,908</b>	<b>3,784,401</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(3,007,980)</b>	<b>(316,131)</b>
<b>Net current assets</b>		<b>9,338,928</b>	<b>3,468,270</b>
<b>Total assets less current liabilities</b>		<b>11,753,952</b>	<b>14,690,994</b>
<b>Net assets</b>		<b>11,753,952</b>	<b>14,690,994</b>
<b>Capital and reserves</b>			
Called up share capital	14	207,474	207,474
Share premium account	15	3,392,794	3,392,794
Merger reserve	10,15	(9,823,460)	-
Capital reserve	15	10,000,000	10,000,000
Profit and loss account	15	7,977,144	1,090,726
<b>Shareholders' funds</b>		<b>11,753,952</b>	<b>14,690,994</b>

These financial statements on pages 10 to 25 were approved by the board of directors on 20/12/18 and were signed on its behalf by:

  
**L. POKORNY**  
 Director

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**STATEMENT OF CHANGES IN EQUITY**

	Called –up share capital £	Share premium £	Merger reserve £	Capital reserve £	Profit and loss £	Total £
<b>Balance as at 1 July 2016</b>	<b>207,474</b>	<b>3,392,794</b>		<b>10,000,000</b>	<b>930,444</b>	<b>14,530,712</b>
Profit for the year	-	-	-	-	160,282	160,282
Other comprehensive income for the year	-	-	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>207,474</b>	<b>3,392,794</b>	-	<b>10,000,000</b>	<b>1,090,726</b>	<b>14,690,994</b>
<b>Balance as at 1 July 2017</b>	<b>207,474</b>	<b>3,392,794</b>	-	<b>10,000,000</b>	<b>1,090,726</b>	<b>14,690,994</b>
Profit for the year	-	-		-	6,886,418	6,886,418
Other comprehensive income	-	-		-	-	-
Total comprehensive loss for the year	-	-		-	6,886,418	6,886,418
Hive up adjustment (Note 10)	-	-	(9,823,460)	-	-	(9,823,460)
<b>Balance as at 30 June 2018</b>	<b>207,474</b>	<b>3,392,794</b>	<b>(9,823,460)</b>	<b>10,000,000</b>	<b>7,977,144</b>	<b>11,753,912</b>

## BIOLINE AGROSCIENCES LIMITED

Registered number: 02305412

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### 1. Principal accounting policies

Bioline Agrosciences Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102"). The functional and presentation currency of these financial statements is sterling.

On 1 July 2017 the assets, liabilities and trade of Bioline Production Limited were transferred to Bioline Agrosciences Limited. The merger method of accounting was adopted wherein the assets and liabilities were transferred at book value.

#### Exemptions for qualifying entities under FRS 102

The Company's ultimate parent undertaking, SAS Invivo Group, includes the Company in its consolidated financial statements. The consolidated financial statements of Invivo Agrosciences SAS are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address provided in note 16. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29.
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Operating lease commitments

The company as a lessee obtains use of property, plant and equipment.

The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)**

#### **Taxation**

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

#### **Allowance for doubtful debts**

Judgement is required to estimate the timing and amount of cash inflows from customers as a result of the geographical diversity of the company's customer base and the size of entities with which the company trades (being small or medium sized owner-managed businesses). Customers may be adversely impacted by poor environmental conditions and they operate in seasonable business sector. Allowances for doubtful accounts are estimated by analysing individual debtor account balances, taking into account historical levels of recovery the economic condition of individual customers, and the overall economic and political environment in relevant countries. Actual cash inflows may differ from these estimates.

#### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

#### **Measurement convention**

The financial statements are prepared in accordance with the historical cost convention.

#### **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at that date. Transactions denominated in foreign currencies are recorded in the local currency at the actual or average rates where these approximate the actual rate at the date of the transaction. All differences are taken to the statement of comprehensive income.

#### **Turnover**

Turnover, which is stated net of value added tax, represents the invoiced value of goods and services supplied less rebates. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer, usually on delivery of the goods.

#### **Research and development**

Expenditure on development of products is charged to the statement of comprehensive income in the year in which it is incurred.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **Creditors**

Short term trade creditors are measured at the transaction price.

## **BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)**

#### **1. Principal accounting policies (continued)**

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, commencing after the asset is brought into use. The principal annual rates used for this purpose are:

Buildings	5 – 15 %
Plant and equipment	8 - 50 %

##### **Goodwill**

Goodwill on acquisition of trade and assets represents the excess of the fair value of the consideration transferred over the fair value of the assets acquired. It is shown as the excess less accumulated amortisation. Amortisation is calculated on a straight line basis over 5 years.

##### **Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value. Cost of raw materials comprising of packaging and consumables is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stock. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion.

Work in progress comprising of beneficial insects is valued at a cost calculated by deducting the gross margin from related sales achieved subsequent to the balance sheet date.

##### **Investments**

Fixed asset investments are shown at cost less any provision for impairment.

##### **Impairment of non-financial assets**

At each balance sheet date non-financial assets are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****1. Principal accounting policies (continued)****Impairment of non-financial assets (continued)**

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. An impairment loss is subsequently reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. A reversal of an impairment loss is recognised in the statement of comprehensive income.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the years during which services are rendered by employees.

**Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

**Going Concern**

After making an assessment of the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**2. Segmental information**

An analysis of turnover by geographical destination is set out below:

	Year ended 30 June 2018 (£)	Year ended 30 June 2017 (£)
United Kingdom	2,227,428	1,658,866
Europe	7,453,506	-
North America	3,527,656	9,500
Rest of World	573,297	-
	<b>13,781,887</b>	<b>1,668,366</b>

Turnover primarily relates to the sale of beneficial insects.

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****3. Directors' emoluments**

No directors are remunerated directly by the company for qualifying services to the company (2017: £Nil). All directors are employed and remunerated by other group undertakings

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Amounts paid to group undertakings for the services of directors	133,651	79,993

The company incurred management charges from Invivo Group, its parent company, of £465,639 in the year (year ended 30 June 2017: £180,464). The management charges include remuneration for qualifying services of directors as shown above, as in the prior year, this is not separately identifiable.

	Year ended 30 June 2018	Year ended 30 June 2017
Number of directors who received shares in respect of qualifying services	-	-
Number of directors who exercised share options over shares in the ultimate parent undertaking	-	-
Number of directors accruing benefits under defined benefit pension schemes	-	-
Number of directors accruing benefits under defined contribution pension schemes	-	-

**4. Employee information**

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2018 Numbers	2017 Numbers
<b>By activity</b>		
Production	53	1
Sales and marketing	17	2
Office and administration	9	11
Research and development	6	5
	<b>85</b>	<b>19</b>

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****4. Employee information (continued)**

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
<b>Staff costs (for the above persons)</b>		
Wages and salaries	2,118,999	457,634
Social security costs	195,392	51,746
Contributions to defined contribution plans	34,299	2,867
	<b>2,348,690</b>	<b>512,247</b>

**5. Interest receivable and similar income**

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
On amounts due from group undertakings on short term deposits	<b>48,132</b>	<b>35,837</b>

**6. Profit/(Loss) on ordinary activities before tax**

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Profit on ordinary activities before taxation is stated after charging /(crediting):		
Auditor's remuneration for:		
Audit of the financial statements	18,295	8,000
Operating lease rentals:		
Plant and Machinery	121,221	4,304
Land and Buildings	30,750	-
Loss on foreign exchange	96,067	587
Bad debt (credit)	(126)	-
Depreciation of tangible fixed assets	317,524	55,995
Amortisation of goodwill	64,000	21,333
Impairment of goodwill	234,667	-
Research and development expensed as incurred	<b>364,931</b>	<b>236,082</b>

**BIOLINE AGROSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****7. Taxation****a) Analysis of charge in the year**

	2018	2017
	£	£
<b>Current tax</b>		
Current year charge	28,791	7,277
Prior year adjustment	(76,990)	1,702
<b>Total current tax charge</b>	<b>(48,199)</b>	<b>8,979</b>
<b>Deferred Tax (note 7 (d))</b>		
Origination and reversal of timing differences	154,396	35,181
Adjustments in respect of prior years	-	2,739
<b>Total deferred tax charge</b>	<b>154,396</b>	<b>37,920</b>
<b>Tax charge on profit on ordinary activities</b>	<b>106,197</b>	<b>46,899</b>

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher (2017: higher) than that assessed at the standard rate of corporation tax in the UK of 19% (2017: 19.75%). The differences are explained below:

	2018	2017
	£	£
Profit on ordinary activities before tax	6,992,615	207,180
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19% (2017: 19.75%)	1,328,597	40,918
Effects of:		
Expenses not deductible/(Income not taxable) for tax purposes	69,065	5,312
Fixed asset differences	13,475	-
Amounts charged directly to equity or otherwise transferred	(3,511)	-
Other tax adjustments, reliefs and transfers	(6,634)	-
R&D expenditure credits	5,244	1,722
Group Income not taxable	(1,216,000)	-
Adjustments to tax charge in respect of prior years	(68,655)	(930)
Adjust closing deferred tax to average rate of 19%	(10,581)	9,082
Adjust opening deferred tax to average rate of 19%	(6,413)	(9,403)
Deferred tax not recognised	1,614	-
Other adjustment	(4)	198
<b>Total tax charge</b>	<b>106,197</b>	<b>46,899</b>

**BIOLINE AGROSCIENCES LIMITED**

Registered number: 02305412

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****7. Taxation (continued)****c) Deferred tax asset**

The amount of deferred tax in the financial statements is analysed as:

	2018 £	2017 £
Timing difference on decelerated capital allowances	(92,715)	(6,906)
Short term timing differences	2,778	-
Tax losses	-	62,006
Under provision in the prior year	-	1,027
<b>Total deferred tax (liability)/asset</b>	<b>(89,937)</b>	<b>56,127</b>

**d) Deferred tax asset**

The movement in the deferred tax is as follows:

	2018 £	2017 £
Deferred tax assets as beginning of year	56,127	94,047
Charged to income statement	(154,396)	(37,920)
Deferred tax transfer	8,332	-
<b>Deferred tax asset / (liability) at end of year</b>	<b>(89,937)</b>	<b>56,127</b>

A deferred tax liability of £89,937 has been recognised at 30 June 2018 (2017: £56,127 asset). The directors are of the opinion, based on recent and forecasted trading, that the level of profits in next two years will be sufficient to utilise the losses for which a deferred tax asset has been recognised.

**BIOLINE AGROSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****8. Tangible fixed assets**

	Freehold land & buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 July 2017	-	1,189,850	1,189,850
Transfer from related party	1,155,149	3,126,500	4,281,649
Additions	80,071	857,004	937,075
Disposals	-	(4,250)	(4,250)
<b>At 30 June 2018</b>	<b>1,235,220</b>	<b>5,169,104</b>	<b>6,404,324</b>
<b>Depreciation</b>			
At 1 July 2017	-	337,432	337,432
Transfer from related party	911,143	2,675,214	3,586,357
Charge for year	36,073	281,451	317,524
Eliminated on disposals	-	(3,834)	(3,834)
<b>At 30 June 2018</b>	<b>947,216</b>	<b>3,290,263</b>	<b>4,237,479</b>
<b>Net book value</b>			
<b>At 30 June 2018</b>	<b>288,004</b>	<b>1,878,841</b>	<b>2,166,845</b>
At 30 June 2017	-	852,418	852,418

**9. Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 July 2017	320,000
Additions	-
<b>At 30 June 2018</b>	<b>320,000</b>
<b>Amortisation and Impairment</b>	
At 1 July 2017	21,333
Charge for year	64,000
Impairment	234,667
<b>At 30 June 2018</b>	<b>320,000</b>
<b>Net book value</b>	
<b>At 30 June 2018</b>	<b>-</b>
At 30 June 2017	298,667

**BIOLINE AGROSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****10. Fixed asset investments**

	Shares in group undertakings £	Capital contributions to group undertakings £	Total £
<b>At cost</b>			
At 1 July 2017	71,639	10,000,000	10,071,639
Additions	-	-	-
Hive up adjustment	-	(9,823,460)	(9,823,460)
At 30 June 2018	71,639	176,540	248,179
<b>Provisions</b>			
At 1 July 2017 and 30 June 2018	-	-	-
<b>Net book value</b>			
At 30 June 2018	71,639	176,540	248,179
At 30 June 2017	71,639	10,000,000	10,071,639

	Percentage held	Country of incorporation	Nature of Trade
Bioline Production Limited 10,000 ordinary shares of £1 each	100%	England	Producers and suppliers of beneficial agents. Dormant Registered office: Telstar Nursery, Holland Road, Little Clacton, Essex, CO16 9QQ
Bioline AgroSciences Inc. 87,500 ordinary shares of \$1 each	100%	USA	Producers and suppliers of beneficial agents Registered office: 3623 Etting Road, Oxnard, CA, 93034, USA.
Bioline Canada Inc. 10,000 ordinary shares of CAD\$1 each	100%	Canada	Service company Registered office: 4890 Victoria Avenue North, Vineland Station, ON L0R 2E0, Canada

**Results of the group undertakings**

	Capital and reserves at 30 June 2018 £	Profit for period to 30 June 2018 £
Bioline Production Limited (audited)	176,540	-
Bioline AgroSciences Inc. (unaudited)	713,551	(725,355)
Bioline Canada Inc. (unaudited)	26,874	21,545

**BIOLINE AGROSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****11. Stocks**

	30 June 2018	30 June 2017
	£	£
Raw materials and consumables	830,863	-
Work in progress	203,595	-
	<b>1,034,458</b>	<b>-</b>

The difference between the purchase price or production cost of stocks and their replacement value is not material. Stocks recognised as an expense in the year were £6,433,373 (2017: £nil)

**12. Debtors**

	30 June 2018	30 June 2017
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	2,114,343	-
Amounts due from group undertakings	7,542,256	3,502,709
Corporation tax	111,939	-
Deferred tax	-	56,127
Other debtors	135,747	33,101
Prepayments and accrued income	103,557	89,999
	<b>10,007,842</b>	<b>3,681,936</b>

Of the deferred tax asset of £nil (2017: £56,127), £nil (2017: £16,000) is expected to reverse after more than a year.

**13. Creditors: amounts falling due within one year**

	30 June 2018	30 June 2017 (Restated)
	£	
Trade creditors	951,174	59,299
Amounts owed to group undertakings	572,360	97,929
Corporation Tax	-	9,815
Other taxation and social security	63,604	14,007
Deferred tax	89,937	-
Other creditors	-	3,581
Accruals and deferred income	1,330,905	131,500
	<b>3,007,980</b>	<b>316,131</b>

**BIOLINE AGROSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)****14. Called up share capital**

	30 June 2018	30 June 2017
	£	£
<b>Allotted, called up and fully paid</b>		
207,474 ordinary shares of £1 each	<b>207,474</b>	<b>207,474</b>

**15. Reserves****Called-up share capital**

This reserve records the nominal value of shares that have been issued.

**Share premium account**

This reserve records the amount above the nominal value received for shares issued less transaction costs.

**Merger Reserve**

The negative merger reserve records the hive up adjustment to eliminate the non-recoverable portion of the investment in subsidiary following the transfer of its trade and assets to the company.

**Capital Reserve**

This reserve records a one-off non-returnable capital gift received in 2004 from Syngenta Holdings Limited, the immediate parent company at the time.

**Profit and loss account**

This reserve records all current and prior year retained profits and losses less dividends paid.

**16. Commitments and contingent liabilities****Financial commitments**

At 30 June 2018

Future minimum rentals payable under non-cancellable operating leases as follows:

	30 June 2018		30 June 2017	
	£		£	
	Land & Buildings	Other	Land & Buildings	Other
Less than one year	5,425	37,910	-	3,139
Between one and five years	-	37,098	-	-

## **BIOLINE AGROSCIENCES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018 (continued)**

#### **16. Commitments and contingent liabilities (continued)**

##### **Contingent liabilities**

HMRC have opened enquiries into Syngenta Holdings Ltd for the years 2011, 2012 and 2013 (as noted in the Syngenta Holdings Ltd 2015 statutory accounts). As Bioline Agrosciences Ltd (Formally Syngenta Bioline Ltd) claimed group relief losses from Syngenta Holdings Ltd in 2011, 2012 and 2013, if the outcome of the enquiry impacts the losses available for surrender, additional tax will be payable by Bioline Agrosciences Ltd (Formally Syngenta Bioline Ltd).

#### **17. Related party transactions**

Transactions during the year with Bioline Agrosciences Inc., a 100% (2017: 100%) subsidiary of the company, were as follows:

On 1 July 2017 the assets, liabilities and trade of Bioline Production Limited (the company's subsidiary undertaking) were transferred at book value to Bioline Agrosciences Limited.

Transactions during the year with Bioline Agrosciences Inc., a 100% subsidiary of the company, were as follows:

During the year the company has paid £3,612 on the behalf of Bioline Canada Inc. at the end of the year £3,612 was included in debtors in respect of this company. Outstanding balances with entities are unsecured, interest free and are payable within the month.

The company has taken advantage of the exemption available to wholly owned subsidiaries under FRS 102 33.1A not to disclose transactions with other wholly owned group companies.

#### **18. Ultimate holding company**

The immediate parent company is Invivo Agrosciences SAS, incorporated and registered in France.

The directors regard Invivo Group SAS, a company incorporated in France, as the company's ultimate parent undertaking and controlling party. Invivo Group SAS is also the parent of the largest and smallest group for which consolidated financial statements that include the results of Bioline Agrosciences Limited are prepared. Copies of the group consolidated financial statements may be obtained from Invivo Group SAS, 83 Avenue de la Grande Armée, 75016 Paris 16e, France.

#### **19. Subsequent Events**

On 14 November 2018, Bioline Agrosciences Limited acquired 50% shares of Biocolor Iberia S.L.U., a Spanish limited liability company for a consideration of €1,190,000 cash and €350,000 assets.