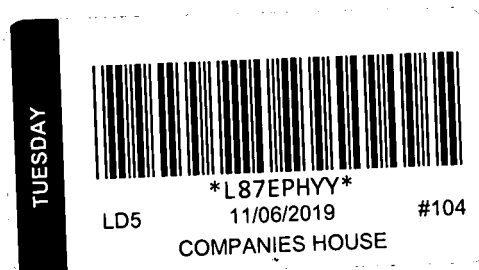


P.I. BIOSCIENCE LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

COMPANY NUMBER: 04691963



P.I. BIOSCIENCE LIMITED
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FOR THE PERIOD ENDED 31 DECEMBER 2018

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**P.I. BIOSCIENCE LIMITED
COMPANY INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2018**

DIRECTORS: N Challoner
D Cherry
R Tanna

REGISTERED OFFICE: Cowick Hall
Snaith
Goole
East Yorkshire
DN14 9AA

REGISTERED NUMBER: 04691963 (England and Wales)

AUDITOR: RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

**P.I. BIOSCIENCE LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

The Directors present their Annual Report on the affairs of the Company, along with the financial statements and Auditor's Report, for the 17 month period ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company was to develop and market crop enhancement products to deliver yield and quality benefits for growers.

REVIEW OF THE BUSINESS

The Company has undergone a series of significant changes in the period ended 31 December 2018.

In December 2017 Bayer CropScience (BCS), who was the exclusive Brazilian marketer of the Company's flagship soybean product Veritas®, announced that it would not be able to meet its commitments within a purchasing plan it had previously agreed with the Company in July 2017 for the coming 2017/18 soybean growing season. BCS also informed the Company that it would not be able to conclude a new contractual arrangement until Q1 2018 at the earliest. As this decision by BCS to defer the purchase of further Veritas® volumes would have had a material adverse effect on the Plant Impact Group's financial performance for the year and on its cash resources the Board of the Company's parent company Plant Impact plc announced on 13 December 2017 that it had decided to enter a formal sale process.

The outcome of the sale process was that on 28 March 2018 the entire issued share capital of the Company's immediate parent company, Plant Impact plc, was acquired by Croda Europe Limited, a wholly owned subsidiary of Croda International Plc. Plant Impact plc was delisted on 29 March 2018 and subsequently re-registered as a private limited company and is now Plant Impact Limited. The Company remains a wholly owned subsidiary of Plant Impact Limited. The Company's ultimate parent company is now Croda International Plc.

Further restructuring of the Company under its new owners took place in June 2018.

An agreement was signed on 29 June 2018 between the Company and its parent company Plant Impact Limited which released the Company from its liability in respect of its inter-company loan of £21.9m with its parent company. The Company treated the inter-company loan as discharged in consideration for the issue to Plant Impact Limited of one ordinary share.

Then on 30 June 2018 the Company entered into an agreement to transfer its business and the beneficial interest in its assets to Croda Europe Limited. Under this agreement the Company was to receive consideration of £7.9m plus the value of its net assets at 30 June 2018 from Croda Europe Limited.

P.I. BIOSCIENCE LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

PROFIT AND LOSS ACCOUNT

Although these accounts are for a 17 month period until 31 December 2018 the results in the profit and loss account reflect activity in the Company for the 11 months until 30 June 2018 when the Company's business was transferred to Croda Europe Limited.

Revenue decreased significantly in the period from £8,450k in the year ended 31 July 2017 to £1,108k. This was largely due to the loss of Veritas® sales to Brazil as described above. Sales to West Africa of Banzai™, the Company's yield enhancement product for cocoa, were also lower than last year.

Gross profit margin also reduced to 57% (year ended 31 July 2017: 80%) as the much lower revenue did not cover the non-variable costs of sales to the same extent as previously.

Administrative expenses decreased from £9,606k to £9,161k. Within this management recharges from other Group companies decreased from £6,096k to £4,459k, reflecting lower levels of activity from the loss of sales and headcount changes during the period.

Direct research and development costs expensed through the profit and loss account decreased from £1,123k to £952k. Additionally, £430k (year ended 31 July 2017: £1,552k) was capitalised within intangible assets as it relates to products that are in the late development stage where they are expected to be technically feasible and commercially viable and satisfy all of the conditions prescribed by IAS 38 for recognition as an intangible asset.

An impairment loss of £365k was booked in the period as the costs previously capitalised relating to TGT-101, an insecticide used for the treatment of mites, whitefly and aphids on commercial crops, were written off as the process commissioned by the Directors to offer the assets for sale concluded in the period without success.

Share-based payments costs increased from £247k to £765k. On acquisition by Croda the Plant Impact share schemes were cancelled and this resulted in an acceleration through the profit and loss account of the costs that would have been charged up until the vesting date of all share options outstanding at the acquisition date.

A gain of £7,944k was recognised on transfer of the Company's trading assets to Croda Europe Limited on 30 June 2018 which represented the agreed consideration over and above the value of the Company's net assets at that date.

Prior to acquisition by Croda the Company benefited from UK R&D tax credits. For the year ended 31 July 2017 the reported tax credit of £982k was made up £850k which was the expected tax credit for that year plus £132k that was received for the prior year ended 31 July 2016 over and above the accrued tax credit for that year. Corporation tax repayable for the year ended 31 July 2017 per the final tax return was calculated as £841k therefore at the time of the transfer of the Company's assets to Croda Europe Limited on 30 June 2018 £841k remained accrued as corporation tax recoverable on the balance sheet. Cash for this was subsequently received by Croda Europe in August 2018.

P.I. BIOSCIENCE LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

BALANCE SHEET

At 31 December 2018 the Company's net assets comprised a debtor balance of £9,818k due from Croda Europe Limited. This represents the consideration payable by Croda Europe Limited for the transfer of the Company's trading assets made up of £1,874k, which was the net asset value of the Company at 30 June 2018, plus a further £7,944k being the consideration receivable.

The increase in the Company's share premium account to £22,135k from £260k in the period resulted from the conversion of the Company's inter-company loan with its parent company Plant Impact Limited to share capital on 29 June 2018.

The other reserve which was the share-based payments reserve was £nil at 31 December 2018 (31 July 2017: £680k) reflecting the cancellation of the share schemes in the period.

GOING CONCERN

Following the transfer of trade and assets to Croda Europe Limited, the company is not expected to trade for the foreseeable future. The directors are considering the long-term future of the company and the parent company has agreed to provide such financial support as may be required until a decision is made. The directors have therefore adopted the going concern basis of preparation of the financial statements.

RISKS AND UNCERTAINTIES

Given the cessation of trade in the period, the Company is not subject to significant risks and uncertainties other than the uncertainty in relation to the long term future of the company as noted above.

DIVIDENDS

The Directors do not recommend the payment of a dividend (year ended 31 July 2017: £nil).

DIRECTORS

The Directors who held office during the period are as follows:

J Brubaker (resigned 28 March 2018)
R Amos (resigned 15 December 2017)
D Jones (resigned 28 March 2018)
N Challoner (appointed 28 March 2018)
D Cherry (appointed 28 March 2018)
G Myers (appointed 28 March 2018, resigned 29 March 2019)
R Tanna (appointed 29 March 2019)

P.I. BIOSCIENCE LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

DIRECTORS THIRD-PARTY INDEMNITY PROVISIONS

During the financial period, a qualifying third-party indemnity provision for the benefit of the Directors was in place.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS101").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

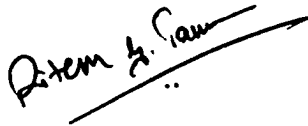
The Directors are satisfied that the auditor is aware of all information relevant to the audit of P. I. Bioscience Limited's financial statements for the 17 month period ended 31 December 2018 and that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that P. I. Bioscience Limited's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP has indicated its willingness to be reappointed for another term.

P.I. BIOSCIENCE LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

A handwritten signature in black ink, appearing to read 'R Tanna', is written over a horizontal line.

ON BEHALF OF THE BOARD:
R Tanna - Director
5 June 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
P.I. BIOSCIENCE LIMITED
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Opinion

We have audited the financial statements of P.I. Bioscience Limited (the 'Company') for the 17 month period ended 31 December 2018 which comprise the Profit and Loss Account, Statement of Changes in Equity, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the 17 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
P.I. BIOSCIENCE LIMITED (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Directors' Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
P.I. BIOSCIENCE LIMITED (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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: <http://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.

RSM UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP
10 June 2019

P.I. BIOSCIENCE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Note	17 months ended 31 December 2018 £'000	Year ended 31 July 2017 £'000
REVENUE	4	1,108	8,450
Cost of sales		(474)	(1,720)
GROSS PROFIT		634	6,730
Administrative expenses		(9,161)	(9,606)
OPERATING LOSS	7	(8,527)	(2,876)
Gain recognised on transfer of trading assets	8	7,944	-
Finance cost	9	-	(1)
LOSS BEFORE TAXATION		(583)	(2,877)
Tax (charge) / credit	10	(9)	982
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		(592)	(1,895)

P.I. BIOSCIENCE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

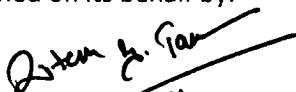
	Share capital	Share premium account	Other reserve	Retained losses	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 August 2016	1	260	436	(11,323)	(10,626)
Loss and total comprehensive income for the year	-	-	-	(1,895)	(1,895)
	1	260	436	(13,218)	(12,521)
Share-based payments	-	-	247	-	247
Forfeited share options	-	-	(3)	3	-
At 31 July 2017	1	260	680	(13,215)	(12,274)
Loss and total comprehensive income for the period	-	-	-	(592)	(592)
	1	260	680	(13,807)	(12,866)
Shares issued	-*	21,875	-	-	21,875
Share-based payments	-	-	809	-	809
Forfeited and cancelled share options	-	-	(1,489)	1,489	-
At 31 December 2018	1	22,135	-	(12,318)	9,818

* less than £1,000

P.I. BIOSCIENCE LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	31 Dec 2018		31 Jul 2017	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	12		-		3,795
Tangible assets	13		-		308
			-		4,103
CURRENT ASSETS					
Stock	14	-		74	
Debtors	15	9,818		1,636	
Cash at bank		-		1,217	
		9,818		2,927	
CREDITORS					
Amounts falling due within one year	16	-		(18,721)	
NET CURRENT ASSETS/ (LIABILITIES)			9,818		(15,794)
TOTAL ASSETS LESS CURRENT LIABILITIES			9,818		(11,691)
CREDITORS					
Amounts falling due after more than one year	16	-			(583)
NET ASSETS/ (LIABILITIES)			9,818		(12,274)
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Share premium account			22,135		260
Other reserve			-		680
Retained losses			(12,318)		(13,215)
SHAREHOLDERS' EQUITY/ (DEFICIT)			9,818		(12,274)

The financial statements were approved by the Board of Directors on 5 June 2019 and were signed on its behalf by:



R Tanna – Director
Registered number: 04691963

**P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

P.I. Bioscience Limited (the Company) is a private company, limited by shares, incorporated and domiciled in England and Wales.

Until 28 March 2018 Plant Impact plc, incorporated and domiciled in England and Wales as a public limited company, was the Company's ultimate parent company. Plant Impact plc's shares were quoted on AIM, a market operated by London Stock Exchange plc.

On 28 March 2018 the entire issued share capital of Plant Impact plc was acquired by Croda Europe Limited, a wholly owned subsidiary of Croda International Plc. Plant Impact plc was delisted on 29 March 2018 and subsequently re-registered as a private limited company and is now Plant Impact Limited. The Company remains a wholly owned subsidiary of Plant Impact Limited. The Company's ultimate parent company is now Croda International Plc.

The financial statements of the Company are consolidated in the financial statements of Croda International Plc. Croda International Plc is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. It is registered in England and Wales and the address of its registered office and where the consolidated Group financial statements can be obtained, is Cowick Hall, Snaith, Goole, East Yorkshire, DN14 9AA, United Kingdom.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel;
- IFRS 7 disclosures; and
- capital management disclosures in IAS 1.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING CONVENTION

The financial statements are prepared on a historic cost basis and are presented in round thousands Sterling (£).

CHANGE OF ACCOUNTING PERIOD

The Company's accounting reference period ending 31 July 2018 has been extended to end on 31 December 2018 in order to align the Company's accounting reference date with that of its ultimate parent Company Croda International Plc. Subsequent accounting periods will end on the same day and month in future years. As a result comparative amounts are not entirely comparable.

GOING CONCERN BASIS OF ACCOUNTING

The Directors note that the Company's net assets at 31 December 2018 comprise a balance of £9.8m owed from Croda Europe Limited resulting from the transfer of the Company's trading assets to Croda Europe Limited. According to the transfer agreement this balance is repayable by Croda Europe Limited on demand. Following the transfer of trade and assets to Croda Europe Limited, the company is not expected to trade for the foreseeable future. The directors are considering the long-term future of the company and the parent company has agreed to provide such financial support as may be required until a decision is made. The directors have therefore adopted the going concern basis of preparation of the financial statements.

REVENUE RECOGNITION

The Company sold Crop Nutrient products to national and global distributors. Revenue was recognised to the extent that the Company obtained the right to consideration in exchange for its performance. Revenue was measured at the fair value of the consideration received, excluding discounts and VAT.

Revenue from the sale of Crop Nutrient products was recognised when:

- the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods or on proof of acceptance by the customer;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue recognition is dependent on contractual terms. Revenue was recognised net of any discounts due to customers. Revenue was deferred in respect of any subsequent rebates that are due to customers or third parties in respect of the product being shipped. Where rebates have not crystallised at the balance sheet date, an estimation was made of the likely value of the rebates that will crystallise.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

From time to time, the Company received non-product-related income.

- 1) Revenues arising from product licence agreements typically have an initial up-front non-refundable payment on execution of the licence. In each instance the revenue will be assessed according to the following criteria, to decide whether the revenue should be recognised in full, or deferred over the length of the agreement (IAS 18.14):
 - i) whether the product is usable by the other third party on execution of the contract;
 - ii) whether the Company has any continuing managerial involvement in the product to the degree usually associated with ownership or effective control over the licence;
 - iii) whether the Company retains any significant risks and rewards of ownership of the licence; and
 - iv) whether all of the payment received relates to the granting of the licence or whether the Company has on-going obligations under the contract or involvement in the product such that all or part of the payment should be deferred over the contract period.
- 2) Amounts receivable in respect of milestone payments are recognised as revenue in full when the specific conditions stipulated in the licence agreement have been met. Payments linked to "success" such as regulatory filing or approval, and achievement of specified sales volumes, are recognised in full when the relevant event has occurred.
- 3) Revenue arising from other agreements will be recognised in accordance with IAS 18.14. Usually an agreement will have more than one strand of revenue. In this instance we will evaluate each strand individually. Each element will be assessed as per the requirements of IAS 18.14 and recognised accordingly.

Government grants are recognised as income within the profit and loss account over the period necessary to match them with the related costs for which they are intended to compensate. Grant income is recognised only where it is reasonably certain that the Company will comply with conditions attached to the grant.

INTEREST INCOME

Interest income represents bank interest received.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is charged to the profit and loss account in the period in which it is incurred.

Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale, considering its commercial and technological feasibility;
- the Company intends to complete the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the above criteria for capitalisation are expensed as incurred.

INTANGIBLE ASSETS

The Company's intangible assets consist of capitalised development costs which are amortised on a straight-line basis over a period of five to 20 years starting from the point that those products resulting from the development activity commence mainstream sales. Amortisation periods are determined according to the expected useful economic life of the product. Amortisation is charged to administrative expenses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset, less its estimated residual value, on a straight-line basis over its expected useful life, as follows:

Fixtures, fittings and equipment	10.0% - 33.3% per annum
Motor vehicles	33.3% per annum
Leasehold improvements	10.0% per annum or at an appropriate higher rate if applicable to write off the cost by the end of the lease term

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

IMPAIRMENT OF ASSETS

The carrying values of assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

If any such indication exists, or when annual impairment testing for an asset is required (e.g. cash-generating units that include goodwill), the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell (separable identifiable cash flows) and its value-in-use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the Company profit and loss account within administrative expenses for the amount by which the asset's carrying amount exceeds its recoverable amount.

Intangible assets are reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, or at the hedged rate if the transaction has been hedged with a highly effective hedging instrument. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income; otherwise such gains and losses are recognised in the profit and loss account.

OPERATING SEGMENTS

Operating segments have been determined based on the reports regularly reviewed by the Board, which is defined as the Chief Operating Decision Maker, which are used to make strategic and operational decisions.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Company's balance sheet when it becomes party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity' investments, 'available for sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. The Company currently has only loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Cash and cash equivalents, trade receivables and other receivables are classified as loans and receivables. Loans and receivables are initially recognised at fair value plus transaction costs and are measured subsequently at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the profit and loss account.

Provision against trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company currently has no liabilities categorised as FVTPL. All other financial liabilities (for example, trade payables) are recorded initially at fair value, net of direct issue costs and are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the profit and loss account.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the profit and loss account on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial instruments

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited direct to equity.

STOCK

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Costs include all costs incurred in bringing each product to its present location and condition on a first-in, first-out basis.

SHARE-BASED PAYMENTS

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the parent company (market conditions).

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

If share options lapse having previously vested, the cumulative profit and loss account charge previously recognised is credited to reserves. If share options are forfeited prior to vesting then the cumulative profit and loss account charge previously recognised is reversed in the period that forfeiture takes place.

For the Standard Options issued under the Plant Impact Performance Share Plan fair value is determined using a Trinomial valuation model.

For the Value Creation Plan Options created under the Plant Impact Performance Share Plan, the options are separated into a number of equal tranches which will vest on the latest of the following dates:

- a pre-determined vesting date ("Earliest Vesting Date");
- the date on which the average share price over 20 consecutive dealing days achieves a certain threshold ("Share Price Hurdle"); and
- the date on which the Group's gross profit exceeds a certain threshold ("Gross Profit Threshold").

In addition to the above criterion, the options are also subject to the following condition:

- if the share price has declined more than 30% below the Share Price Hurdle which triggered the vesting of the option, the vesting of the option should be delayed until the share price achieves that Share Price Hurdle for at least 20 consecutive dealing days.

These options are valued using a variation of the Black-Scholes binomial model.

If awards lapse due to:

- an employee leaving the Company before the end of the expected term for that tranche, then all charges taken to the profit and loss account relating to that award are added back.
- a failed market performance condition (i.e. the Share Price Hurdle condition), charges will not be added back to the profit and loss account.
- a failed non-market performance condition (i.e. the Gross Profit Threshold condition), then all charges taken to the profit and loss account for this award are added back.
- either the Company or the employee cancelling the award (with the employee remaining in employment), then all remaining charges for that award are normally immediately accelerated.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to "other reserve".

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

TAX

The income tax credit represents the sum of the tax currently payable, and the credit in the accounting period for research and development (R&D) enhanced tax credits.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Tax receivable relates to tax credits claimed for qualifying R&D costs incurred in the same accounting period.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is measured on an undiscounted basis, and at the tax rates that are expected to apply in the period in which the asset or liability is settled, provided they are enacted or substantively enacted at the balance sheet date. It is recognised in the profit and loss account or within other comprehensive income except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

EQUITY

Equity comprises the following:

- "share capital" represents the nominal value of equity shares;
- "share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of share issues;
- "other reserve" comprises the fair value of share-based payments granted in accordance with IFRS 2 and recognised to date; and
- "retained losses" represent cumulative retained profits /(losses).

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

3. CRITICAL ACCOUNTING ASSUMPTIONS AND ESTIMATES

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of group debtor

The recovery of the group debtor balance of £9,818k (see note 15) is dependent on the counterparty being willing and able to settle the amount when due.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

4. SEGMENTAL ANALYSIS

The Company's operating segments have been identified based on internal management reporting information that is regularly reviewed by the Chief Operating Decision Maker.

All of the results for the 17 month period ended 31 December 2018 related to Crop Nutrients, other than £384k (year ended 31 July 2017: £16k) of costs relating to Pest Control which include £365k for impairment of the intangible assets relating to Pest Control as the process to find a buyer for the Company's TGT-101 assets concluded without a sale (see note 12 for further details).

Therefore at the time of the transfer of the Company's trading assets to Croda Europe Limited all assets related to Crop Nutrients (2017: all assets related to Crop Nutrients other than the net book value of £365k of intangible assets which related to Pest Control).

Two external customers each represented more than 10% of the Company's sales, with combined revenue of £588k in the 17 month period ended 31 December 2018. One of these customers was the same customer that constituted more than 10% of the Company's sales in the year ended 31 July 2017 (£6,826k).

5. STAFF COSTS

	17 mths ended 31 Dec 2018	Year ended 31 Jul 2017
	£'000	£'000
Wages and salaries	1,541	1,533
Social security costs	250	197
Pension	57	73
	1,848	1,803

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

Included in the above employment cost is £655k (year ended 2017: £770k) relating to R&D costs, of which £169k (year ended 2017: £468k) was capitalised as additions to intangible assets.

The average number of employees during the year was as follows:

	17 mths ended 31 Dec 2018	Year ended 31 July 2017
	No.	No.
Administration	4	6
Research & development	8	13
Production	1	2
Sales and technical	4	9
	17	30

The transfer of the Company's trading assets to Croda Europe Ltd on 30 June 2018 resulted in the 23 employees of the Company at 30 June 2018 also being transferred out of the Company at that point therefore as at 31 December 2018, the Company employed no staff (31 July 2017: 29 employees).

No management employees are reported in this Company as three of the six Directors of the Company who held office in the period were employed by and included in the headcount of Plant Impact Limited (formerly Plant Impact plc) in the current period and prior year. Of the three Directors appointed from 28 March 2018 two were employed by and included in the headcount of the ultimate parent company Croda International Plc and one was in Croda Europe Limited.

6. DIRECTORS' EMOLUMENTS

Costs of three of the six Directors shown on page 4 were borne by Plant Impact Limited (formerly Plant Impact plc) in the current period and prior year. Of the three Directors appointed from 28 March 2018 two were remunerated by the ultimate parent company Croda International Plc and one by Croda Europe Limited.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

7. OPERATING LOSS AND EXPENSES BY NATURE

The operating loss for the year is stated after charging/(crediting):

	17 mths ended 31 Dec 2018 £'000	Year ended 31 Jul 2017 £'000
Cost of inventories recognised as an expense	262	1,496
Depreciation - owned assets (note 13)	82	92
Loss on disposal tangible fixed assets (note 13)	1	-
Amortisation - development costs (note 12)	210	147
Impairment loss on intangible assets (note 12)	365	-
Auditor's remuneration*	(3)	16
Operating lease rentals - land and buildings	63	72
Foreign exchange loss	123	102
Share-based payments (note 20)	765	247
Costs recharged from other Group companies	4,459	6,096
Employment cost (note 5)	1,848	1,803
Consultants, temporary staff and recruitment	100	145
Marketing and business development	92	162
Communications	31	45
Commercial trials	29	266
Professional fees	130	186
Direct research and development	952	1,123
Capitalised R&D (note 12)	(430)	(1,552)
General office costs	267	390
Travel and expenses	200	204
Restructuring costs	-	177
Irrecoverable sales tax	89	109
Total operating expenses	9,635	11,326

* Auditor's remuneration for the Company for the period ended 31 December 2018 is borne by Plant Impact Limited (formerly Plant Impact plc). The credit shown in the period results from an over-accrual of costs for the year ended 31 July 2017.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

8. GAIN ON TRANSFER OF TRADING ASSETS

The Company entered into an agreement to transfer its business and the beneficial interest in its assets to Croda Europe Limited on 30 June 2018. The consideration payable by Croda Europe Limited was agreed at the value of P.I. Bioscience Limited's net assets at 30 June 2018 which stood at £1,874k plus £7,944k. Accordingly the Company is recognising a gain on transfer of its trading assets in the period of £7,944k.

The total consideration payable to the Company by Croda Europe Limited of £9,818k is reported as an inter-company debtor balance at 31 December 2018 (see note 15).

9. FINANCE COST

	17 mths ended 31 Dec 2018 £'000	Year ended 31 Jul 2017 £'000
Interest payable	-	1

10. TAXATION

Analysis of the tax credit

The tax credit on the loss for the period was as follows:

	17 mths ended 31 Dec 2018 £'000	Year ended 31 July 2017 £'000
Current tax credit	-	(850)
Adjustments for prior years	9	(132)
Tax charge/ (credit) on loss	9	(982)

The tax credit of £850k in the year ended 31 July 2017 related to development expenditure and furthermore a repayable tax credit receivable from the UK government.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

Factors affecting the tax credit

The tax assessed for the period is higher than the standard rate of corporation tax in the UK.

The difference is explained below:

	17 mths ended 31 Dec 2018 £'000	Year ended 31 July 2017 £'000
Loss before tax	(583)	(2,877)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (year ended 31 July 2017: 19.67%)	(111)	(566)
<i>Effects of:</i>		
Non-deductible expenses	152	56
Fixed asset differences	12	1
Enhanced R&D tax relief	19	(388)
Losses not recognised for tax purposes	(754)	(86)
Other temporary differences	-	95
Adjustments for prior periods	9	(132)
Change in tax rates	(89)	38
Other tax adjustments, reliefs and transfers	771	-
Total tax charge / (credit) in the profit and loss account	9	(982)

There were changes to the UK corporation tax rates that were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

11. DEFERRED TAX

Unrelieved tax losses of £nil (31 July 2017: £8.2m) remain available to offset against future taxable trading profits. Tax losses for the Company have been transferred to Croda Europe Limited.

The net unrecognised deferred tax asset has been made up of the following elements:

	17 mths ended 31 Dec 2018 £'000	Year ended 31 July 2017 £'000
Deferred tax liability on fixed assets	-	(14)
Deferred tax asset on short term differences	26	1
Deferred tax liability on development costs	-	(663)
Deferred tax asset on share-based payments	-	55
Deferred tax asset on losses	-	1,394
Total unrecognised deferred tax asset	26	773

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

12. INTANGIBLE FIXED ASSETS

	Development costs £'000
Cost:	
At 1 August 2016	2,688
Additions	1,552
At 31 July 2017	4,240
Additions	430
Disposals	(20)
Impairment	(474)
Transfer to Croda Europe Limited	(4,176)
At 31 December 2018	-
Amortisation and impairment:	
At 1 August 2016	298
Amortisation for the year	147
At 31 July 2017	445
Amortisation for the year	210
Disposals	(20)
Impairment	(109)
Transfer to Croda Europe Limited	(526)
At 31 December 2018	-
Net book value at 31 December 2018	-
Net book value at 31 July 2017	3,795
Net book value at 31 July 2016	2,390

All intangible fixed assets with a net book value of £3,650k as at 30 June 2018 were transferred to Croda Europe Limited.

Capitalised development costs

The Company has internally generated intangible assets from the development of its Crop Nutrient and Pest Control products. All research and other development work has been written off as incurred where the criteria for recognition as an asset were not met.

Prior to the transfer to Croda Europe Limited capitalised development costs were being amortised from first commercial sale over periods of from five to 20 years depending on the expected longevity of the related technology or product. The amortisation is included in administrative expenses.

An impairment charge of £365k was booked in the period to reduce the carrying value of the Pest Control intangible assets to £nil (31 July 2017: £365k) following an unsuccessful attempt to sell the asset.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

13. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Total £'000
Cost:				
At 1 August 2016	4	290	232	526
Additions	-	37	41	78
At 31 July 2017	4	327	273	604
Additions	-	11	5	16
Disposals	-	(28)	(1)	(29)
Transfer to Croda Europe Limited	(4)	(310)	(277)	(591)
At 31 December 2018	-	-	-	-
Depreciation:				
At 1 August 2016	2	134	68	204
Charge for the year	2	64	26	92
At 31 July 2017	4	198	94	296
Charge for the year	-	23	59	82
Disposals	-	(27)	(1)	(28)
Transfer to Croda Europe Limited	(4)	(194)	(152)	(350)
At 31 December 2018	-	-	-	-
Net book value at 31 December 2018	-	-	-	-
Net book value at 31 July 2017	-	129	179	308
Net book value at 31 July 2016	2	156	164	322

Depreciation is included in administrative expenses.

All tangible fixed assets with a net book value of £241k as at 30 June 2018 were transferred to Croda Europe Limited.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

14. STOCK

	31 Dec 2018 £000	31 July 2017 £'000
Raw materials	-	21
Finished goods	-	53
	-	74

All stocks to the value of £69k on the balance sheet as at 30 June 2018 were transferred to Croda Europe Limited. As a result no stock remained on the balance sheet at 31 December 2018.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 2018 £000	31 July 2017 £'000
Trade debtors	-	700
Other debtors	-	28
Amounts owed from Group undertakings	9,818	-
Corporation tax recoverable	-	850
Prepayments and accrued income	-	58
	9,818	1,636

The amount owed from Group undertakings represents the consideration payable by Croda Europe Limited to the Company following the transfer of the Company's trading assets to Croda Europe Limited on 30 June 2018. According to the terms of the transfer agreement the balance is interest free, unsecured and repayable on demand.

All other debtors on the balance sheet as at 30 June 2018 were transferred to Croda Europe Limited.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

16. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 2018 £000	31 July 2017 £'000
Trade creditors	-	581
Other creditors	-	1
Amounts owed to parent company	-	16,323
Amounts owed to other Group undertakings	-	261
Social security and other taxes	-	133
Accrued expenses	-	712
Deferred income	-	710
	-	18,721

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 Dec 2018 £000	31 July 2017 £'000
Deferred income	-	583
	-	583

An agreement was signed dated 29 June 2018 between the Company and its parent company Plant Impact Limited which released the Company from its liability in respect of its inter-company loan with its parent company. The Company treated the inter-company loan as discharged in consideration for the issue to Plant Impact Limited of one ordinary share.

As a result the Company converted its inter-company loan balance with Plant Impact Limited as at 29 June 2018 of £21,875k (31 July 2017: £16,323k) into ordinary share capital of one pence (note 18) and the balance as share premium.

All remaining creditors on the balance sheet as at 30 June 2018 were transferred to Croda Europe Limited.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

17. OPERATING LEASE COMMITMENTS

The Company had entered into commercial leases on its premises. Following the transfer of its trading assets to Croda Europe Limited no operating lease commitments remained for the Company at 31 December 2018.

The future aggregate annual minimum lease payments are:

	31 Dec 2018 £000	31 July 2017 £'000
Within one year	-	58
Between two to five years	-	183
In more than five years	-	-
	-	241

Operating lease expenditure is charged to the profit and loss account.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid share capital – ordinary shares of nominal value 1 pence each:

	Number	Nominal value £
As at 31 July 2017	98,949	989
Shares issued in the period	1	-*
As at 31 December 2018	98,950	990

*** less than £1**

In the period ended 31 December 2018 one ordinary share of 1 pence was issued as a result of the agreement on 29 June 2018 whereby the Company was released from its liability in respect of its inter-company loan with its parent company. See note 16 for further details.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

19. RELATED PARTY DISCLOSURES

The Company's ultimate parent company is Croda International Plc. The smallest and largest group of undertakings for which Group accounts have been drawn up is that headed by Croda International Plc. Copies of the Group financial statements can be obtained from the Company Secretary at the registered office of the Company as detailed on the Company Information page.

The Directors are considered to be the Company's key management personnel. Costs are borne for three of the Directors who held office in the period by Plant Impact Limited (formerly Plant Impact plc), for two of the Directors by Croda International Plc, and for one Director by Croda Europe Limited, and further details of the remuneration of the Directors can be found in the financial statements of those companies respectively.

All intra-Group balances outstanding have been disclosed within note 15. The amount owed is unsecured, repayable on demand and non-interest bearing

20. SHARE-BASED PAYMENTS

The Company's option scheme, the Plant Impact Performance Share Plan, granted two types of options, Standard Options and Value Creation Plan Options (VCP Options).

Standard Options were available for all employees of the Group. These options were exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period was between one and three years. Options granted after 21 November 2014 had an additional holding requirement that vested options could not be exercised until five years after the date of grant. If the options remained unexercised after a period of ten years from the date of grant the options expired. Options were forfeited if the employee leaves the Group before the options vested.

VCP Options were intended to incentivise key senior managers and Executive Directors without a heavy cash investment by the Group. Options issued under this scheme only vested under exceptionally positive circumstances. VCP Options were exercisable at 1 pence and were subject to holding conditions and vested on performance conditions.

P.I. BIOSCIENCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

The fair value of Standard Options issued was calculated at the time of grant using a Trinomial model. The fair value of VCP Options were valued at the time of grant using multiple variations of the Black-Scholes model.