25 March 2015

Biome Technologies plc
("Biome", "the Company" or "the Group")

Preliminary Results

Biome Technologies plc announces its Preliminary Results for the year ended 31 December 2014.

Highlights

- Significantly improved Group financial performance
- Group revenues up 80% to £3.57m (2013: £1.98m), reflecting increased revenue in both of the Group's divisions
- Pre-exceptional operating loss reduced to £1.32m (2013: loss £1.69m)
- Biome Bioplastics' revenues increased to £1.45m (2013: £0.96m) as it continued its focus on sales of high performance, higher margin products
- Stanelco RF Technologies division moved back into profitability and more than doubled its revenues
- Cash position at 31 December 2014 was £2.39m (2013: £3.31m)
- Trading to date in 2015 in, both divisions, is in line with the Board's expectations

Paul Mines, Chief Executive, said:

"The Group has delivered a much improved financial and operational performance in 2014 with strong revenue and margin growth. Our strategy of focusing on a select number of technically demanding product and application areas within Biome Bioplastics is progressing well and further technical development activity, directed at expanding the product range, is expected to generate substantial revenue growth from a broader customer base in future periods. Our RF Technologies division has had a strong year with growth seen across its diversified product range.

The Group's business is developing strongly and we are confident of the prospects for the coming year."

- Ends -

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Chairman's Statement

Our results for 2014 show significant improvement from the previous year with revenue growth of 80% coming from both new and existing product areas. The operating loss, before exceptional items, was reduced to £1.32m (2013: loss before exceptional items £1.69m).

The Biome Bioplastics division's strategy of focusing on a select number of technically demanding product and application areas is progressing well. Revenue growth of over 50% was achieved in the full year, despite significant disruption to one of the main supply chains in the second half. Further technical development activity, directed at expanding the product range, is expected to generate substantial revenue growth from a broader customer base in future periods.

The Stanelco RF Technologies division moved back into profitability and more than doubled its revenues in comparison with 2013, with a consequent positive effect on cash generation. The product portfolio continues to expand and resulted in substantial orders for new products from the optical fibre furnace market and a significant contract for advanced analytical equipment in a regulated industry.

Results

Group revenues were £3.57m (2013: £1.98m), reflecting the increased revenue in both of the Group's divisions. It is encouraging to note that margins increased to 42% during the year (2013: 39%). The resultant operating loss was reduced to £1.32m (2013: loss of £1.69m, excluding exceptional items). The loss after taxation was £1.27m (2013: loss of £2.55m, which included the exceptional loss on the lease settlement, share consolidation and capital reduction). The loss per share in 2014 was 54 pence (2013: loss per share of 107 pence, including the exceptional items).

Biome Bioplastics' revenues increased to £1.45m (2013: £0.96m) as it continued its focus on sales of high performance, higher margin products. Sales in the second half of 2014 were impacted substantially by short term technical issues experienced by the division's end customers in the single-serve US coffee market. These issues now appear to be resolved with order levels to date at comparable levels to the first quarter of 2014. The operating loss for the division was reduced to £0.34m (2013: operating loss of £0.37m).

Within the Stanelco RF Technologies division, revenues more than doubled to £2.12m (2013: £1.02m) as the product range was increased and customers in the optic fibre market began to invest in new capacity. The resulting operating profit increased to £0.29m (2013: operating loss of £0.08m).

Cash

The Group's cash resources continued to be managed prudently throughout the year, with the cash position at 31 December 2014 being £2.39m (31 December 2013: £3.31m). Over the year, the cash utilised by operations was £0.61m (2013: £1.58m excluding exceptional items), which included a decrease of £0.21m in working capital. Investment in the year in new property, plant and equipment was £0.06m (2013: £0.03m) and £0.30m in product development (2013: £0.25m).

Strategy

The Group's strategy is to build a leading position in its chosen markets based on proprietary IP-protected technology. It has chosen to do this by developing products in application areas where value-added pricing can be justified. These products are driven by customer requirements rather than being technology-led.

Within the Chairman's Statement of the 2013 Annual Report, I highlighted the three high level Key Performance Indicators (KPIs) that the Board had adopted for the business trajectory through to 2016. These are repeated below:

- Vigorous growth of revenues of over 40% per annum in a number of the Group's specialised applications that are founded on our proprietary technology platforms;

- A highly differentiated product pipeline that will diversify our commercially-viable product ranges by 50% by 2016 and will fuel our sustained revenue growth; and

- Passing the "earnings positive" inflection point in quarterly trading during 2015.

Having reviewed our progress against these indicators, I am pleased to report that we remain on track to meet them. Revenue growth of over 50% was achieved by both of the Group's divisions in 2014 and was 80% higher across the Group on a consolidated basis compared to 2013. 2014 was a busy year for developing new products and diversifying the product range. To that end 17% of the 2014 revenues were from new products, demonstrating good progress towards the 50% target by 2016. It remains the Board's KPI to pass the "earnings positive" inflection point in quarterly trading during 2015.

The Board will continue to measure the Group's performance against these KPIs going forward and report progress to shareholders.

Biome Bioplastics

This year our focus has continued to be on further developing and commercialising the division's product range. An encouraging start to 2014 saw half year revenues exceeding those for the entire year of 2013. However, the second half of the year saw a fall back in revenues in the single-serve coffee market in the US as a number of customers reduced demand as a result of technical issues relating to brewing machine technology in their marketplace. These technical issues have, we believe, been resolved and order levels for the first quarter of 2015 are at a comparable level to those received in the first quarter of 2014.

There has been additional development work in the year in order to expand the division's product offering in the single serve coffee market and prospects for significant revenues for 2015/16 are encouraging. In addition, customer trials on the division's innovative high temperature material for food service applications continue to be promising. It is these products that will assist the Group in achieving the revenue growth targets mentioned above.

The division's mid-term research activities are directed at the development of bio-based materials through the use of synthetic biology. This activity is aimed at developing a new generation of lignocellulose-derived bioplastics that can be made at comparable cost to traditional petro-chemicals. Following a successful feasibility study completed in 2014, the division has embarked on a three year project to drive this technology towards commercialisation. The overall project, comprising a number of strategic collaborations, will cost £3.02m of which £2.69m is being funded by Innovate UK (formerly called the Technology Strategy Board) and other UK and European public funding bodies. Our overall development activities within the Bioplastics division are highly complementary to this project and consequently our resource contribution of £0.33m will be supported by our team of experienced technical and commercial staff.

Stanelco RF Technology

The Stanelco RF Technologies division had a year of continued progress with revenues more than double those achieved in 2013. Further encouragement can be taken from the fact that the revenue growth was not just achieved in the cyclical optic fibre furnace market but across the diversified product range.

The division was also awarded a significant contract in March 2014 for the provision of advanced analytical equipment to a customer operating within a regulated industry in the UK. The Durapipe contract for the piping sector continues to make progress with ten pre-production units completed at the end of the year.

Incentive Schemes

A new EMI Share Option Plan was set up in 2014 to incentivise senior management in line with increasing shareholder returns. The share options have an initial vesting date of 6 October 2016 and a second on 6 October 2017. The vesting conditions mean that no share options vest unless a share price of 320p per share is achieved on either of these dates.

Board Changes

We welcomed back Declan Brown as Group Finance Director in April 2014. His skills are valued as we move further into progressing our KPIs.

Outlook

Trading to date in 2015 in both divisions is in line with the Board's expectations and cash continues to be managed prudently. The business development activities that will allow us to reach or exceed our strategic KPIs appear viable to us at this stage of the year, although the outcome remains subject to further testing and timely product launches by our customers.

The Board believes that the Group's business is developing strongly and we are confident of the prospects for the remainder of the year.

John Standen
Chairman

Strategic Report

2014 was an encouraging year with substantial progress made in both divisions.

In Biome Bioplastics, a very encouraging first half of the year saw revenues exceeding those achieved for the whole of 2013. The second half of the year was impacted by technical challenges in the single serve US coffee market. It is believed that these technical challenges, relating to the compatibility of coffee pods in industry standard machines, have now been overcome. The Group anticipates that demand for this division's products will return to a more regular offtake pattern.

In Stanelco RF Technologies, the focus was on diversifying the product range away from the reliance on the optic furnace market and included the award of a contract to supply advanced analytical equipment for a customer operating within regulated industry in the UK.

The divisional sections below outline the strategies that will be adopted for 2015 and 2016 to meet the Group's objectives.

Biome Bioplastics Division

Revenues in the Bioplastics division increased to £1.45m (2013: £0.96m).

Markets

The production costs of functional bioplastics are at a substantive premium to materials that are of petro-chemical origin. This differential is a result of scale, functionality and input costs and will not be resolved in the short term. Adoption of today's bioplastics is therefore reliant on either legislative drivers or a willingness from the end-user to pay a premium for either functional or "green" attributes.

Areas of the market that are best suited to accommodate this price differential are those with a high technical performance requirement, those where the biomaterial costs are a small fraction of the end product price, or those where there is strong consumer interest in the end-of-life performance of the material.

It is in these areas that Biome Bioplastics has continued to focus its research and development activities on over the last few years. As a result, the division has developed a number of technically leading products that are either in use or undergoing trials with various customers.

Technical Development

Biome Bioplastic's development work is based on market-led innovation where a strong need is perceived and where the business can gain technology leadership in the sector. During 2014, the development team has focused on supporting trials with existing and new customers where a biodegradable alternative is actively sought by the end customer and the market dynamics support the premium in cost associated with providing this attribute.

During the period, significant development work was undertaken to produce a biodegradable non-woven mesh for uses including filtration and absorption which is now undergoing early stage trials with end customers. This included work with contract manufacturing providers in both Europe and the US. In addition, further enhancement work was undertaken on materials for use in multi-layer laminate structures to preserve freshness in food and drink applications.

A product suitable for use in the emerging market for 3D printing was launched in the year with encouraging reviews from the industry. This product area provides the benefit of sales in its own right as well as increasing familiarisation of Biome's materials with designers and prototype makers.

The division is undertaking medium-term research activity into the microbial transformation of lignocellulose into pre-cursors for bioplastics using microbial and enzymatic routes. With promising results from the initial work, this research programme has been expanded to study both the technical and economic hurdles to achieve bio-based polymers at comparable prices to oil based materials. Further work is now underway with the universities of Warwick, Leeds and Liverpool alongside other partners. Scale-up activity is envisaged in due course at the Centre for Process Innovation that is also supporting the project. This work will be supported by a framework of grants totalling £2.7m from European and UK funding bodies.

Investment by Biome Bioplastics in product development for the year was £0.26m (2013: £0.21m).

Stanelco RF Technologies Division

Stanelco RF Technologies is a specialist engineering business focused on the design and manufacture of electrical/electronic systems based on advanced radio frequency technology.

The division's core offering remains the supply of fibre optic furnaces, but the business has diversified the product range in recent years, increasing the potential customer base. Total revenues in 2014 of £2.12m were more than double those in the comparable period (2013: £1.02m). This increase is due to some stabilisation in the supply/demand balance in the optic fibre furnace market, as well as increased welder sales. In addition, RF Technologies was awarded a contract from a customer operating within a UK regulated sector for advanced analytic equipment. This contract is expected to generate revenues of £1.5m over two years. The operating profit for the period was £0.29m (2013: loss of £0.08m).

The business focuses on four key revenue streams:

Optical Fibre Furnace Systems

Stanelco RF Technologies is a world leader in the design and manufacture of induction furnace systems used in the manufacture and processing of quartz glass "preforms" to produce optical fibre. Each system is bespoke to customers' exact requirements. The global demand for optical fibre experienced some turbulence throughout 2013 with customers holding back on making capital investments in new furnaces. To combat this impact, the Stanelco RF team has developed a range of new products, and upgrade kits, which considerably reduce the energy cost associated with running these machines to attract replacement sales (in addition to those for new capacity). During the course of 2014, the division received orders for two new low energy furnaces as well as various upgrade kits.

Plastic Welding Equipment

These units are used in a multitude of end-user applications including the nuclear, medical and industrial sectors. The equipment is provided in hand-held, mobile or fully automated static solutions dependent on customers' requirements. In addition, the division is the UK sales and service agent for Forsstrom High Frequency AB which extends Stanelco's product offering into larger plastic welding equipment.

Induction Heating Equipment

In 2014, work in this area centred on the continued development of the Durapipe project as well as the initial design work on the large contract for advanced analytic equipment mentioned above. Stanelco RF Technologies was contracted by Durapipe UK to develop an innovative new portable welding system. Following the successful pre-market testing of the prototypes, ten pre-production units were built and supplied to Durapipe in the fourth quarter of the year. It is expected that, following extended field trials of the pre-production units, commercial scale orders will be placed.

Service and Spares

The business continues to support its large installed equipment base through the provision of maintenance support, system upgrades and specialist spares across the globe.

Expenses

The management team continues to focus on cost efficiency. Administration costs, excluding exceptional items, were £2.81m (2013: £2.47m), an increase of £0.34m on the prior year. This increase is primarily due to three factors; an increase in both permanent and temporary staff within the RF Technologies division to support the diversified activities; provisions taken on stock within both divisions; and an increased share option charge due to the cancellation of the public equity plan ("PEP") scheme. Under accounting rules the cancellation of the PEP scheme also results in an increase in the profit and loss reserve.

Principal risks and uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors continually review the risks identified below and, where possible, processes are in place to monitor and mitigate such factors.

Political, economic and regulatory environment

The Group is subject to political, economic and regulatory factors in the various countries in which it operates. There may be a change in government regulation or policies which materially and/or adversely affect the Group's ability to successfully implement its strategy. The Directors aim to keep abreast of relevant developments and modify their strategy where this is appropriate.

Fluctuations in exchange rates may affect product demand in different regions and may adversely affect the profitability of products provided by the Group in foreign markets where payment is made for the Group's products in local currency.

The Directors are informed regularly of the potential impact of exchange rate movements on the business and act to mitigate any adverse movements wherever possible.

The Group's products and manufacturing processes utilise a number of raw materials and other commodities. The markets for these materials and commodities may be subject to high price volatility and the Group may be constrained if there is limited supply.

The Group continually seeks to reduce its dependence on a small number of raw materials. It negotiates best possible prices and actively seeks new sources of raw material.

Some of the Group's products are employed in the food and pharmaceutical industries, both of which are highly regulated. There is a risk that the Group may lose contracts or be subject to fines or penalties for any non-compliance with the relevant industry regulations. The Group ensures its staff is well versed in the regulatory environment of its end-use industries and regularly reviews its product portfolio to ensure compliance with relevant regulations.

Intellectual property

Although the Group attempts to protect its intellectual property, there is a risk that patents will not be issued with respect to applications now pending. Furthermore, there is a risk that patents granted or licensed to Group companies may not be sufficiently broad in their scope to provide protection against other third party technologies. The Group takes professional advice from experienced patent attorneys and works hard to win patents applied for and to ensure that the scope is sufficiently broad.

Other companies are actively engaged in the development of bioplastics. There is a risk that these companies may have applied for (or been granted) patents which impinge on the areas of activity of the Group. This could prevent the Group from carrying out certain activities or, if the Group manufactures products which breach (or may appear to breach) the patents there is a risk that the Group could become involved in litigation which could be costly and protracted and ultimately be liable for damages if the breach is proven.

The Group keeps up-to-date with its competitors' product developments and patent portfolios and aims to ensure that no infringements occur. Professional advice is sought from experienced patent attorneys if there are any concerns.

Competition

There is a risk that competitors may be able to develop products and services that are more attractive to customers than the Group's products and services.

The Group aims to be ahead of the competition through continual development of products that meet specific customer requirements.

Commercialisation

There is a risk that the Group will not be successful in the commercialisation of its products from early-stage research and development to full-scale commercial sales. The Group develops a number of products and some may not prove to be successful. The Directors ensure that regular reviews of product development are undertaken so that unsuccessful developments can be terminated early in their life cycle. If a project is deemed not to be commercial then the capitalised costs are written off.

Customers

The Group's ability to generate revenues for a number of its products is reliant on a small number of customers. If one of these customers was to significantly reduce its orders, this could have a significant impact on the Group's results.

The Group is constantly adding to its customer base and, as its revenues grow, is becoming increasingly less dependent on any single customer.

Financial risks

The Group uses various financial instruments including cash, lease finance, equity and various items such as trade receivables and trade payables that arise directly from its operations. The existence of these instruments exposes the Group to a number of financial risks, the main ones being exchange rate risk, liquidity risk, interest rate risk and credit risk. The Directors review and agree policies for managing each of these risks and these will be summarised in Note 22 to the Group's full financial statements for the year ended 31 December 2014.

Suppliers and Raw Materials

The Group is reliant on a few key suppliers to manufacture its products. If one of these was to cease supplying the market it could have a significant impact on the Group's ability to fulfil its orders.

The Group is constantly adding to its supply base and testing alternative sources of raw materials.

Financial review

The key performance indicators (KPIs) which the Board uses to assess the performance of the Group, are detailed in the Chairman's Statement.

The summary results for the Group are shown below.

LIKE-FOR-LIKE COMPARISONS	2014 £'m	2013 £'m	Growth
Revenues			
Biome Bioplastics	1.45	0.96	51%
RF Technologies	2.12	1.02	108%
Total revenues	**3.57**	**1.98**	**80%**
Loss from operations – pre exceptional items			
Biome Bioplastics	(0.33)	(0.37)	11%
RF Technologies	0.29	(0.08)	363%
Central costs	(1.28)	(1.24)	(3)%
Loss from operations – pre exceptional items	**(1.32)**	**(1.69)**	**22%**
Non-current assets	1.48	1.47	
Inventories	1.01	0.64	
Trade and other receivables	0.87	0.88	
Cash	2.39	3.31	
Trade and other payables	(1.23)	(0.66)	
Net assets	**4.52**	**5.64**	

Revenues

Group revenues increased in the year from £1.98m to £3.57m with substantial increases in both the Biome Bioplastics and RF Technologies divisions.

In Biome Bioplastics, revenues increased by 51% which is mainly the result of increased volumes being sold for use in the US single-serve coffee market.

In Stanelco RF Technologies, revenues increased by 108% in 2014 as a result of increased activity across the product range, including fibre optic furnaces, as well as the positive impact from the contract to supply advanced analytical equipment to a UK regulated industry sector.

Operating profits/(losses)

The Group's loss from operations (excluding exceptional items and discontinued activities) reduced to £1.32m compared to £1.69m on a like-for-like basis in the prior year.

Administrative costs across the Group, excluding exceptional items, in 2014 were £2.81m (2013: £2.47m). When the non cash effects of depreciation, amortisation and share option charges are removed, the recurring administrative expenses in 2014 were £2.31m (2013: £2.05m). This is mainly a result of increased staffing levels, both permanent and temporary, within the RF division due to increased activity levels, as well as a provision taken against slow moving stock, and increased research and development within the Bioplastics division. As in 2013, the directors have waived their bonus entitlements for 2014.

Product development costs of £0.30m (2013: £0.25m) were capitalised in the year. Tax R&D claims resulted in a tax credit received in the year of £0.03m (2013: credit of £0.05m).

The Group's loss after tax and exceptional items for the year was £1.27m (2013: loss after tax and exceptional items of £2.55m), giving a loss per share of 54p (2013: loss per share of 107p).

Balance sheet

The carrying value of intangible assets relate to capitalised development costs predominantly within the Biome Bioplastics division for the Group's own intellectual property and product range going forward.

As at 31 December 2014, there was £1.22m of capitalised development costs (2013: £1.20m) within the Group's balance sheet, of which £0.8m relates to BiomeHT and BiomeEasyflow. An assessment is made at least annually which assumes future potential market take up of the products and the margins achievable.

Cashflow

Cashflow	2014 £'m	2013 £'m
Loss from continuing operations	(1.32)	(2.59)
Adjustment for non-cash items	0.51	0.40
Movement in working capital	0.21	(0.51)
Cash utilised by operations	**(0.60)**	**(2.70)**
Investment activities	(0.32)	(0.26)
Net increase/(decrease) in cash	**(0.92)**	**(2.96)**
Opening cash balance	3.31	6.27
Closing cash balance	**2.39**	**3.31**

The cash utilised from operations, before working capital movements and exceptional items, was £0.81m (2013: £1.29m), reflecting the reduced loss from operations during 2014 compared to the prior period. Working capital decreases of £0.21m partially offset this cash outflow. This positive working capital movement occurred mainly due to: the timing of customer deposits; and increases in trade creditors on capital equipment builds within the RF division, which itself was partially offset by the increase in inventories on the RF capital build. As a result, the cash utilised by operations during 2014 was £0.60m (2013: £2.70m).

Investment in the year in new property, plant and equipment was £0.06m (2013: £0.03m) and £0.30m in product development (2013: £0.25m).

The closing cash position was £2.39m (2013: £3.31m).

Going concern

The Directors have reviewed forecasts and budgets for the 12 months from the date on which the accounts have been approved, which have been drawn up with appropriate regard for the current macroeconomic environment and the particular circumstances in which the Group operates. These were prepared with reference to contracted and visible business within the RF Division and the commercialisation and increased volume from the existing trials and launches within the Bioplastics

Division. As a result of this process, at the time of approving the financial statements, the Directors consider that the Company and the Group have sufficient resources to continue in operational existence for the foreseeable future and, accordingly, that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Paul Mines
Chief Executive Officer

CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 Total £'000	2013 Before Exceptional Items £'000	2013 Exceptional Items £'000	2013 Total £'000
REVENUE	4a – 4b	3,567	1,977		1,977
Cost of sales		(2,075)	(1,200)		(1,200)
GROSS PROFIT		1,492	777		777
Administrative expenses	5	(2,810)	(2,465)	(900)	(3,365)
LOSS FROM OPERATIONS	4a – 4b	(1,318)	(1,688)	(900)	(2,588)
Investment revenue		12	21		21
Foreign exchange loss		1	(24)		(24)
LOSS BEFORE TAXATION		(1,305)	(1,691)	(900)	(2,591)
Taxation	6	33	46		46
LOSS FOR THE YEAR		(1,272)	(1,645)	(900)	(2,545)
Other comprehensive income:					
Will not be reclassified subsequently to profit and loss					
Retranslation reserve on disposal		-			
Will be reclassified subsequently to profit and loss					
Exchange differences on translating foreign operations		-	-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,272)	(1,645)	(900)	(2,545)
Basic and diluted loss per share – pence (continuing and discontinuing operations)	7	(54)			(107)

CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
As at 31 December 2014

	Note	2014 £'000	2013 £'000
NON-CURRENT ASSETS			
Other intangible assets	8	1,217	1,196
Property, plant and equipment	9	263	269
		1,480	1,465
CURRENT ASSETS			
Inventories	10	1,011	641
Trade and other receivables		868	880
Cash and cash equivalents		2,393	3,311
		4,272	4,832
TOTAL ASSETS		5,752	6,297
CURRENT LIABILITIES			
Trade and other payables	11	1,229	664
		1,229	664
TOTAL LIABILITIES		1,229	664
NET ASSETS		4,523	5,633
EQUITY			
Share capital		117	117
Share premium account		740	740
Capital redemption reserve		4	4
Share options reserve		531	797
Translation reserve		(85)	(85)
Retained profits/(losses)		3,216	4,060
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND TOTAL EQUITY		4,523	5,633

The financial statements were approved by the Board on 24 March 2015.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)
Declan L Brown (Group Finance Director)
24 March 2015

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
As at 31 December 2014

	Share capital £'000	Share premium account £'000	Capital Redemption Reserve £'000	Share options reserve £'000	Translation reserves £'000	Retained earnings £'000	Attributable to equity holders of the parent £'000	TOTAL EQUITY £'000
Balance at 1 January 2014	117	740	4	797	(85)	4,060	5,633	5,633
Share options charges in year	-	-	-	162	-	-	162	162
Cancellation of PEP scheme and expired share options	-	-	-	(428)	-	428	-	-
Transactions with owners	-	-	-	(266)	-	428	162	162
Loss for the year	-	-	-	-	-	(1,272)	(1,272)	(1,272)
Total comprehensive income for the year	-	-	-	-	-	(1,272)	(1,272)	(1,272)
Balance 31 December 2014	117	740	4	531	(85)	3,216	4,523	4,523
Balance at 1 January 2013	5,885	38,623	-	966	(85)	(37,255)	8,134	8,134
Share options charges in year	-	-	-	(169)	-	263	94	94
Issue of share capital	5,911	12	-	-	-	-	5,923	5,923
Cancellation of share capital	(11,679)	-	4	-	-	5,702	(5,973)	(5,973)
Cancellation of share premium account	-	(37,895)	-	-	-	37,895	-	-
Transactions with owners	(5,768)	(37,883)	4	(169)	-	43,860	44	44
Loss for the year	-	-	-	-	-	(2,545)	(2,545)	(2,545)
Total comprehensive income for the year	-	-	-	-	-	(2,545)	(2,545)	(2,545)
Balance 31 December 2013	117	740	4	797	(85)	4,060	5,633	5,633

CONSOLIDATED STATEMENT
OF CASH FLOWS
For the year ended 31 December 2014

	2014 £'000	2013 £'000
Loss from operations	**(1,318)**	**(2,588)**
Adjustment for:		
Amortisation and impairment of intangible assets	**276**	**266**
Depreciation of property, plant and equipment	**67**	**60**
Share based payments	**162**	**94**
Foreign exchange	**2**	**(24)**
Operating cash flows before movement in working capital	**(811)**	**(2,192)**
(Increase)/decrease in inventories	**(371)**	**(272)**
Decrease/(increase) in receivables	**12**	**248**
Increase/(decrease) in payables	**565**	**(489)**
Cash utilised by operations	**(605)**	**(2,705)**
Corporation tax received	**33**	**46**
Interest paid	**-**	**-**
Net cash outflow from operating activities	**(572)**	**(2,659)**
Cash flows from investing activities		
Interest received	**12**	**21**
Investment in intangible assets	**(297)**	**(249)**
Purchase of property, plant and equipment	**(61)**	**(27)**
Net cash used in investing activities	**(346)**	**(255)**
Financing activities		
Proceeds from issue of ordinary shares	**-**	**37**
Buyback of ordinary shares	**-**	**(87)**
Net cash inflow/(outflow) from financing activities	**-**	**(50)**
Net increase/(decrease) in cash and cash equivalents	**(918)**	**(2,964)**
Cash and cash equivalents at beginning of year	**3,311**	**6,275**
Effect of foreign exchange rate changes	**-**	**-**
Cash and cash equivalents at end of year	**2,393**	**3,311**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. NON-STATUTORY FINANCIAL STATEMENTS

The financial information set out in this preliminary results announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2014 or 2013 but is derived from those financial statements. Statutory financial statements for 2013 have been delivered to the Registrar of Companies. Those for 2014 will be delivered following the Company's Annual General Meeting, which will be convened on 27 April 2015. The auditors have reported on those accounts: their reports on those financial statements were unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The financial statements, and this preliminary statement, of the Group for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 24 March 2015 and the balance sheet was signed on behalf of the Board by Paul R Mines and Declan L Brown.

2. BASIS OF PREPARATION

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

3. BASIS OF CONSOLIDATION

The Group financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 31 December 2014. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. At 31 December 2014 the subsidiary undertakings were Biome Bioplastics Limited, Stanelco RF Technologies Limited, Aquasol Limited, and InGel Technologies Limited (dormant).

The assets and liabilities of the Biome Technologies plc Employee Benefit Trust ("EBT") are included within the consolidated statement of financial position on the basis that the Group has the ability to exercise control over the EBT.

4a. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2014

	Bioplastics	RF Technologies	Central Costs	Total
	2014	2014	2014	2014
	£'000	£'000	£'000	£'000
Revenue from external customers	1,446	2,121	-	3,567
(LOSS)/PROFIT FROM OPERATIONS	(335)	293	(1,276)	(1,318)
Investment revenue				12
Foreign exchange gain				1
LOSS BEFORE TAXATION				(1,305)
TOTAL ASSETS	2,098	1,664	1,989	5,751

4b. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2013

	Bioplastics 2013 £'000	RF Technologies 2013 £'000	Central Costs 2013 £'000	Exceptional Items 2013 £'000	Total 2013 £'000
Revenue from external customers	958	1,019	-	-	1,977
(LOSS)/PROFIT FROM OPERATIONS	(372)	(81)	(1,235)	(900)	(2,588)
Investment revenue					21
Foreign exchange loss					(24)
LOSS BEFORE TAXATION					(2,591)
TOTAL ASSETS	1,844	1,030	3,423		6,297

The Bioplastics division comprises of Biome Bioplastics Limited and Aquasol Limited.

5. EXCEPTIONAL ITEMS

	2014 £'000	2013 £'000
Property lease surrender		
Lease surrender fee	-	895
Reversal of property provision	-	(222)
Prepaid rental, service charges and insurance at lease surrender	-	30
Bad debt provision and costs for sub-tenant	-	37
Transaction costs	-	35
	-	775
Share consolidation and capital reduction		
Transaction costs	-	125
	-	900

On 23 May 2013 the company entered into a settlement agreement with the landlord whereby the company paid £895,000 to the landlord to settle all on-going liabilities and dilapidations in relation to two surplus industrial units that were on long term lease until December 2021. The company also incurred extra costs in cancelling the lease with a non-performing sub-tenant in order to return the units with vacant possession.

During 2013 year the company also consolidated its 5,897,880,000 ordinary shares of £0.001 into 2,427,732 ordinary shares of £0.05 and completed a court approved capital reduction to cancel the share premium account.

6. TAXATION

The Group's policy is to recognise tax credits resulting from tax R&D claims on a cash received basis. The claim in respect of the year ended 31 December 2013 has now been settled. A tax credit has, therefore, been recognised in the Group's financial statements in respect of that claim.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the loss attributable to the equity holders of the parent for the year of £1,272,000 (2013: loss of £2,545,000) and a weighted average of 2,347,536 (2013: 2,385,813) ordinary shares in issue.

8. OTHER INTANGIBLE ASSETS

During the year there was a capitalisation of £297,000 of product development costs (2013: £249,000). The amortisation charge for the year was £276,000 (2013: £266,000).

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of £61,000 was acquired in the year (2013: £27,000). The depreciation charge for the year was £67,000 (2013: £60,000).

10. INVENTORIES

Inventories increased in the year as a result of increased activity at the year end within the RF Technologies division.

11. TRADE AND OTHER PAYABLES

Trade and other payables increased in the year due to increases in the RF Technologies division. This is a result of increased build activity on the regulated industries project and other capital equipment orders at the year end combined with customer deposits.