3D BIO-TISSUES LIMITED

Company No. 11666403

Directors' Report and Audited Accounts

30 September 2022

3D BIO-TISSUES LIMITED Contents

3D BIO-TISSUES LIMITED Company Information

Directors

G. Baker
C.J. Connon
Y. Xiong
M. Yang

Registered Office

The Biosphere
Draymans Way
Newcastle Helix
NewcastleUpon Tyne
NE4 5BX

Auditor

F.E.Laughlin Ltd
19 Norfolk Street
Sunderland
SR1 1EA

3D BIO-TISSUES LIMITED Directors
Report

The Directors present their report and the accounts for the period ended 30 September 2022.

Principal activities

The principal activity of the company during the period under review was Biotechnology research and development.

Change in control of the company.

On 17/05/22 the whole of the share capital of the company was acquired by BSF Enterprise plc.

Directors

The Directors who served at any time during the period were as follows:

G. Baker
C.J. Connon
Y. Xiong
M. Yang

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the accounts in accordance with Company law requires the directors to prepare accounts for each financial year. Under that law the directors

* select suitable accounting policies and then apply them consistently;
* make judgments and estimates that are reasonable and prudent;
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the

The directors are responsible for keeping adequate accounting records that 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.

Statement of disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006.

Signed on behalf of the board

C.J. Connon
Director
30 June 2023

3D BIO-TISSUES LIMITED Audit Report

Independent Auditor's Report to the members of 3D BIO-TISSUES LIMITED

Opinion

We have audited the accounts of 3D BIO-TISSUES LIMITED (the 'company') for the period ended 30 September 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the Notes to the Accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' .

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicate that the company's ability to continue as a going concern is dependant on the parent's ability to secure additional funding through financing arrangements or the issuing of equity. As stated in note 1 whilst the directors are confident that the parent will raise sufficient funds in the timeframes required, these events or conditions, along with other matters set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the parent company's ability to continue as a going concern and thus since the company is entirely reliant on support from the parent, on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other matters

The prior year figures were not audited since the company took advantage of the small company exemption given that it was not required to prepare audited accounts.

Other information

The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; 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 accounts 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 prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement found in the directors' report, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

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

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

irregularities, including fraud, is detailed below:
• We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct impact on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.
• We determined the principal laws and regulations relevant to the company in this regard to be those arising from
• Companies Act 2006
• Financial reporting standards
• We designed our audit procedures to ensure the auditor considered whether there were any indications of non-compliance with those laws and regulations. These procedures included, but were not limited to:
• Enquiries of management,
• Review of board minutes, and
• Review of legal and professional fees in the nominal ledger
• We also identified the risks of material misstatement of the financial statements due to fraud. We considered the non-rebuttable presumption of a risk of fraud arising from management override of controls and we addressed this by challenging the assumption and judgements made by management when auditing that significant accounting estimate.
• As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those that lead to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of this 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 auditors' 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.

Fiona Ramsey BSc FCA
Senior Statutory Auditor
For and on behalf of F.E.Laughlin Ltd
Accountants and Statutory Auditors
19 Norfolk Street
Sunderland
SR1 1EA
30 June 2023

3D BIO-TISSUES LIMITED Profit and Loss Account
for the period ended 30 September 2022

	2022	2021
	£	£
Turnover	580	19,343
Cost of Sales	(33,419)	(114,558)
Gross loss	(32,839)	(95,215)
Distribution costs and selling expenses	(6,155)	(573)
Administrative expenses	(455,457)	(190,657)
Other operating income	14,460	74,917
Operating loss	(479,991)	(211,528)
Loss on ordinary activities before taxation	(479,991)	(211,528)
Taxation	29,667	26,384
Loss for the financial period after taxation	(450,324)	(185,144)

3D BIO-TISSUES LIMITED Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 September 2022

	2022	2021
	£	£
Loss for the financial period after taxation	(450,324)	(185,144)
Total comprehensive income for the period	(450,324)	(185,144)

3D BIO-TISSUES LIMITED Balance Sheet
at 30 September 2022

Company No. 11666403	**Notes**	**2022**	**2021**
		£	**£**
Fixed assets			
Tangible assets	5	103,347	80,804
		103,347	80,804
Current assets			
Stocks	6	21,855	13,000
Debtors	7	93,352	13,046
Cash at bank and in hand		43,068	96,603
		158,275	122,649
Creditors: Amount falling due within one year	8	(516,002)	(11,792)
Net current (liabilities)/assets		(357,727)	110,857
Total assets less current liabilities		(254,380)	191,661
Provisions for liabilities			
Deferred taxation	9	(19,636)	(15,353)
Net (liabilities)/assets		(274,016)	176,308
Capital and reserves			
Called up share capital		68	68
Share premium account	10	499,991	499,991
Profit and loss account	10	(774,075)	(323,751)
Total equity		(274,016)	176,308

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the board on 30 June 2023

And signed on its behalf by:

C.J. Connon
Director
30 June 2023

3D BIO-TISSUES LIMITED Statement of Changes in Equity for the period ended 30 September 2022

	Share Capital	Share Premium	Retained earnings	Total equity
	£	£	£	£
At 1 December 2020	68	499,991	(138,607)	361,452
Loss for the period			(185,144)	(185,144)
At 30 November 2021 and 1 December 2021	68	499,991	(323,751)	176,308
Loss for the period			(450,324)	(450,324)
At 30 September 2022	68	499,991	(774,075)	(274,016)

All of the called up share capital is paid up.

3D BIO-TISSUES LIMITED Notes to the Accounts for the period ended 30 September 2022

1 General information

Its registered number is: 11666403
Its registered office is:
The Biosphere
Draymans Way
Newcastle Helix
NewcastleUpon Tyne
NE4 5BX

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.

The accounts have been prepared in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) and the Companies Act 2006. The comparative figures have not been audited.

Going concern

The financial position of the Company, its cash flows and liquidity position are set out in these financial statements. As at 30 September 2022, the Company had cash and cash equivalents of £43,068.

The Company has prepared monthly cash flow forecasts based on reasonable estimates of key variables including operating costs and capital expenditure through to June 2024 that supports the conclusion of the Directors that they expect sufficient funding to be available to meet the Company's anticipated cash flow requirements to this date.
These cashflow forecasts are subject to a number of risks and uncertainties, in particular the reliance of continuing financial support from the Company's parent who has given an undertaking to support the Company for a minimum of 12 months from the date of these financial statements in order to support the planned levels of expenditure.
Management has performed detailed analyses of these forecasts to assess the economic impact of various downside scenarios from a going concern perspective. Based on the financial and operational performance analysis and reviews done for the period up to the date of these financial statements, the Company is operating in line with its budget in terms of costs.
The company continues to monitor major cost drivers e.g. labour, research, consumables and governance expenditure that may have an impact on going concern.
This has included an assessment of the Russia-Ukraine war and its impact on inflation and interest rates and whether this could result in a diminished likelihood of raising additional funds and reduced demand for the Company's products.

As part of assessing the Company's ability to continue as a going concern, management considered a level of contingency to cover unforeseen cost increases to assess the impact this could have on its business, taking into account mitigating actions that could be implemented if necessary.

In the event of a deterioration of market conditions, and implementation of mitigating actions identified by the Board, the Company will have sufficient liquidity to meet its obligations as they fall due for a period of at least 12 months after the date of these financial statements.

The assessment as to whether the going concern basis is appropriate has also taken into account all information available up to the date of authorisation of these financial statements.
Reflecting the most likely scenarios and the various sources of capital which are available to finance ongoing operations in even the most severe scenarios, the Board has concluded that the going concern basis remains appropriate in the preparation of these Financial Statements due to the anticipated support from the Company's parent in the 12 months from the date of the financial statements.

Taking its cash position into account, the anticipated support from its parent and the forecasts and projections, as well as possible mitigating actions available to the Company, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of not less than 12 months from the date of signing the financial statements.

As such, the Board has concluded that the going concern basis of accounting in preparing the financial statements of the Company remains appropriate, due to the anticipated availability of sufficient financial resources in the 12 months from the date of the financial statements.

2 Accounting policies

Turnover
Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:
- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Intangible fixed assets
Intangible fixed assets are carried at cost less accumulated amortisation and impairment losses.

Tangible fixed assets and depreciation

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.
Depreciation is provided at the following annual rates in order to write off the cost or valuation less the estimated residual value of each asset over its estimated useful life:

Plant and machinery	20%% straight line
Furniture, fittings and equipment	20%% straight line

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance/accrual model.

Investments

Unlisted investments are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, any changes in fair value are recognised in profit and loss.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Work in progress is reflected in the accounts on a contract by contract basis by recording revenue and related costs as contract activity progresses.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts.

Trade and other creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currencies

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.
Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Leased assets

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.Operating lease payments are recognised as an expense on a straight-line basis over the lease term.Assets held under finance leases are depreciated in the same way as owned assets. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs (see the accounting policy above). Leases which do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases.Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Defined contribution pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3 Change in length of the reporting period

The year end was shorted to 30 September to be in line with that of the holding company. The prior period is therefore for 12 months whilst this period is only for 10 months.

4 Employees

	2022 Number	2021 Number
The average monthly number of employees (including directors) during the period:	6	5

5 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or revaluation			
At 1 December 2021	102,615	-	102,615
Additions	37,332	3,137	40,469
Transfers	(3,718)	3,718	-
At 30 September 2022	136,229	6,855	143,084
Depreciation			
At 1 December 2021	21,811	-	21,811
Charge for the year	17,918	8	17,926
Transfers	(2,910)	2,910	-
At 30 September 2022	36,819	2,918	39,737
Net book values			
At 30 September 2022	99,410	3,937	103,347
At 30 November 2021	80,804	-	80,804

6 Stocks

	2022 £	2021 £
Raw materials and consumables	21,855	13,000
	21,855	13,000

7 Debtors

	2022	2021
	£	£
Corporation tax recoverable	33,950	-
VAT recoverable	33,284	1,300
Other debtors	7,908	-
Prepayments and accrued income	18,210	11,746
	93,352	13,046

8 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Trade creditors	113,355	1,408
Amounts owed to group undertakings	350,000	-
Other taxes and social security	10,359	4,354
Other creditors	1,511	620
Accruals and deferred income	40,777	5,410
	516,002	11,792

The amounts owing to BSF Enterprise plc are unsecured, interest-free and repayable on demand.

9 Provisions for liabilities

Deferred taxation

	Accelerated Capital Allowances, Losses and Other Timing Differences	Total
	£	£
At 1 December 2021	15,353	15,353
Charge to the profit and loss account for the period	4,283	4,283
At 30 September 2022	19,636	19,636

	2022	2021
	£	£
Accelerated capital allowances	19,636	15,353
	19,636	15,353

10 Reserves

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account - includes all current and prior period retained profits and losses.

11 Commitments

Capital commitments	2022	2021
	£	£
Capital commitments contracted for at the end of the financial year for which no provision has been made:	15,892	-

Other financial commitments	2022	2021
	£	£
Total commitments under non-cancellable operating leases:	245,823	131,864

12 Related party disclosures

Name of related party	BSF Angel Funding
Description of relationship between the parties	Shareholder until May-22
Description of transaction and general amounts involved	Interest free, unsecured loan of £50,000 made in the year and repaid after the shares were sold to BSF Enterprise plc
Name of related party	BSF Enterprise plc
Description of relationship between the parties	Parent company
Description of transaction and general amounts involved	Details of the amounts due between the company and its parent are shown in note 8 to the accounts. The company was also charged £30,000 by its parent in respect of management charges.
Name of related party	Atelerix Limited and Cellularevolution Limited
Description of relationship between the parties	Companies of which Che Connon is also a director.
Description of transaction and general amounts involved	They were each recharged their share of a joint staff Christmas party of £145.56 and £436.68 respectively.

Controlling Party

The name of the parent of the smallest group for which consolidated financial statements are drawn up of which this entity is a member:
BSF Enterprise plc

The parent's registered office address is:
Aldgate Tower
2 Leman Street
London
E1 8QN