

Company registration number 13091365 (England and Wales)

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
COMPANY INFORMATION

Directors	J C Green M A Huxtable K Sargeant I D Cliffe C M Coulton	(Appointed 1 June 2022) (Appointed 16 March 2022)
Company number	13091365	
Registered office	1st Floor The Mount 72 Paris Street Exeter United Kingdom EX1 2JY	
Auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR	
Solicitors	Browne Jacobson LLP 1st Floor The Mount 72 Paris Street Exeter United Kingdom EX1 2JY	

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
CONTENTS**

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 9
Profit and loss account	10
Group statement of comprehensive income	11
Group balance sheet	12
Company balance sheet	13 - 14
Group statement of changes in equity	15
Company statement of changes in equity	16
Group statement of cash flows	17
Notes to the financial statements	18 - 38

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors present the strategic report for the year ended 30 June 2022.

Fair review of the business

The company incurred neither a profit or loss in the previous comparative period. On 30 June 2021 it completed the acquisition of Biozone Scientific (UK) Ltd, Biozone Scientific International Limited in Hong Kong, and the trade and assets of Biozone Scientific International, Inc in the US through its newly incorporated wholly owned US subsidiaries. The acquisition was facilitated by Lloyds Development Capital ('LDC') providing the private equity funds.

There was therefore no trading in the group in the previous financial period and hence no comparative figures. This set of financial statements to 30 June 2022 includes a full year of post-acquisition consolidated results for the group.

During the period the global economy and in particular the group's supply chain was impacted by the continuing affect of the global pandemic (Covid-19). In many regions there were localized lock downs and travel restrictions remain in place even now. This has caused all of the group's market sectors to be affected to varying degrees during the period, either by reducing or restricting completely growth and sales opportunities or by directly impacting logistics or production of supply due to the well documented shortage of components.

Due to these market factors the performance of the group was below managements expectations for the period. During the period investment has been made into increasing the group's stock holding to take advantage of the future market opportunities that exist across all the group's geographical and vertical sectors once the markets return.

Following the investment from LDC on the 30 June 2021 there were a number of one off 'non-recurring' items required to be completed as part of the group's investment agreement to help improve the group's performance and control environment. These expenses are one off and deemed by the Board to be non-recurring and hence not indicative of the performance of the group. These expenses as well as other non-recurring expenses, as explained in note 4 and below are excluded from the group's key performance indicator of performance which is Operating EBITDA as defined.

The Board is cautiously optimistic about the long-term future of the group. This is due to the market opportunities that prevail, the group's new product development program, major customer feedback and their growth expectations. This is tempered short term by the continuing global pandemic in many of the group's key regions and potential for an extended global recession.

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks

The key business risks faced by the company are the impact of any market or competitive product factors affecting the financial performance of the company's subsidiaries and hence the value of the company's investment in these. The directors consider that the products are well established in their market places with the need for the equipment continuing to be highlighted by the ongoing pandemic and regulatory requirements which mitigate these factors. Regulation and compliance of the products and new products are reviewed and maintained by the Board.

The group's supply chain is of key importance and is managed effectively through collaboration, transparency and expected lead times. Component shortages are managed through forward buying where possible.

Cyber security is a continuing threat for all businesses. The Board ensures that annual and monthly testing of the group's cyber threats is completed along with any recommendations from that testing being immediately implemented. The group's employees are engaged with a rolling training program and multi factor authentication is used across all the group's business system platforms.

Financial risk management

The company holds investments in subsidiaries financed by shareholder loans. These have a term of six years and interest is rolled up for the first year and then paid quarterly thereafter. This is in order to finance the investments over the initial period. Realisation of the investment depends on performance of the trading subsidiaries and their cash generation; these are monitored by the directors and by group management as a whole in order to respond to changes in the market and maintain development of products and sales channels.

Key performance indicators

Turnover – For the period the group's turnover was £10,892,000 (2021 - £nil).

Operating EBITDA – For the period was £1,196,000 (2021 - £nil). Operating EBITDA is adjusted for one off, discontinued or non-recurring costs to give the Board a more accurate underlying and ongoing performance of the group.

Cash – Cash at the 30 June 2022 was £1,967,000 (2021 - £1,493,000) which is inline with management expectations and expected working capital forecasting.

All the group's key performance indicators were impacted by market conditions and localised lockdowns due to the pandemic.

On behalf of the board

ID Cliffe
Director

17 January 2023

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

The company was incorporated on 18 December 2020 as Cloud River Group Limited and changed its name to Biozone Scientific Group Limited on 28 July 2021.

The principal activity of the company is that of a holding company for a group distributing and selling ultraviolet products for disinfection, sanitation, preventative maintenance, and odor control solutions.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J C Green

M A Huxtable

K Sargeant

P D Morris

(Resigned 31 May 2022)

M J Newbold

(Resigned 16 March 2022)

I D Cliffe

(Appointed 1 June 2022)

C M Coulton

(Appointed 16 March 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, by the use of its overdraft and capital financial arrangements, and availability of finance for capital projects before undertaking such projects, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Forecasts and budgets are approved by the Board to predict expected operational expenses each month.

The Group had cash balances at the year-end of £1,967,000 and has facilities in place to meet all anticipated working capital requirements.

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Interest rate risk

The Group has financed its operations through a mixture of retained profits, a variable rate bank overdraft secured post year end and capital financial arrangements from its shareholders with a fixed interest rate. The Group manages interest rate risk in respect of surplus cash balances by making deposits with suitable financial institutions, should appropriate conditions exist. Given the level of net funds the Group does not consider the downside interest rate risk to be significant.

Foreign currency risk

The Group is exposed to currency risk as it operates globally with the majority of its transactions and profit generation being in US\$ or HK\$. This risk is naturally mitigated by a significant proportion of costs being in the same currency. Where appropriate the Board looks to mitigate the transaction and translation risk further by using forward contracts and options.

Credit risk

The Group extends credit to recognised creditworthy third parties. Trade receivable asset balances are monitored to minimise the Group's exposure to bad debts. Where necessary, individual credit limits are set based on internal or external ratings. Independent credit ratings are used, if available, to set suitable credit limits. If there is no independent rating, the Board assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. At the year-end none of the trade receivable balances that were not past due or specifically provided against exceeded set credit limits and management does not expect any losses from non-performance by these counterparties.

Credit risk also arises from cash and cash equivalents deposited with financial institutions. The Group deposits its surplus funds with only high quality banks and financial institutions with a minimum independent credit rating of A1. Such deposits have a maturity of no more than one month. The Directors consider the Group's relatively diverse operations provide a reduction in concentration risk by sector, geography and exposure to individual customers.

Auditor

UHY Hacker Young were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

I D Cliffe
Director

17 January 2023

(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BIOZONE SCIENTIFIC GROUP LIMITED

Opinion

We have audited the financial statements of Biozone Scientific Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2022 and of the group's loss for the year 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 International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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

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

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

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

(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BIOZONE SCIENTIFIC GROUP LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BIOZONE SCIENTIFIC GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to cut-off at the balance sheet date and non-compliance with the United States Environmental Protection Agency and more specifically, The Federal Insecticide Fungicide and Rodenticide Act (FIFRA).

Audit procedures performed included:

- challenge management's forecasts, in particular assessing the expected margin on significant projects in light of the post year end information available;
- challenge management's forecasts, in particular assessing the appropriateness of the key assumptions, which includes the expected improvement in turnover and margins;
- review of the financial statement disclosures to underlying supporting documentation;
- review of the correspondence with the United States Environmental Protection Agency; and
- enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Other matters which we are required to address

The comparative financial statements were unaudited.

(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BIOZONE SCIENTIFIC GROUP LIMITED

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.

James Simmonds (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

28 February 2023

Chartered Accountants
Statutory Auditor

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022

		Year ended 30 June 2022 £'000	Period ended 30 June 2021 £'000
	Notes		
Turnover	3	10,892	-
Cost of sales		(4,905)	-
		<hr/>	<hr/>
Gross profit		5,987	-
Operating expenses		(4,791)	-
		<hr/>	<hr/>
Operating EBITDA		1,196	-
Other expenses			
Amortisation and depreciation		(1,352)	-
Non-recurring items	4	(589)	-
Other gains and expenses		395	-
		<hr/>	<hr/>
Operating loss before interest	5	(350)	-
Interest payable and similar expenses	9	(2,855)	-
		<hr/>	<hr/>
Loss before taxation		(3,205)	-
Tax on loss	10	114	-
		<hr/>	<hr/>
Loss for the financial year	24	(3,091)	-
		<hr/> <hr/>	<hr/> <hr/>

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Year ended 30 June 2022 £'000	Period ended 30 June 2021 £'000
Loss for the year	(3,091)	-
Other comprehensive income		
Currency translation differences	524	-
Total comprehensive income for the year	(2,567)	-

Total comprehensive income for the year is all attributable to the owners of the parent company.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
GROUP BALANCE SHEET

AS AT 30 JUNE 2022

		2022	2021
	Notes	£'000	£'000
Fixed assets			
Goodwill	11	13,370	14,235
Tangible assets	12	131	78
		<u>13,501</u>	<u>14,313</u>
Current assets			
Stocks	16	4,638	3,382
Debtors	17	2,433	7,909
Cash at bank and in hand		1,967	1,493
		<u>9,038</u>	<u>12,784</u>
Creditors: amounts falling due within one year	18	<u>(1,169)</u>	<u>(6,097)</u>
Net current assets		<u>7,869</u>	<u>6,687</u>
Total assets less current liabilities		<u>21,370</u>	<u>21,000</u>
Creditors: amounts falling due after more than one year	19	<u>(23,612)</u>	<u>(20,643)</u>
Net (liabilities)/assets		<u><u>(2,242)</u></u>	<u><u>357</u></u>
Capital and reserves			
Called up share capital	23	28	27
Share premium account	24	333	330
Other reserves	24	(36)	-
Profit and loss reserves	24	(2,567)	-
Total equity		<u><u>(2,242)</u></u>	<u><u>357</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17 January 2023 and are signed on its behalf by:

I D Cliffe
Director

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
COMPANY BALANCE SHEET
AS AT 30 JUNE 2022

		2022	2021
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	32	-
Investments	13	19,735	19,687
		<u>19,767</u>	<u>19,687</u>
Current assets			
Stocks	16	670	-
Debtors	17	961	5,422
Cash at bank and in hand		634	-
		<u>2,265</u>	<u>5,422</u>
Creditors: amounts falling due within one year	18	<u>(1,252)</u>	<u>(4,109)</u>
Net current assets		<u>1,013</u>	<u>1,313</u>
Total assets less current liabilities		<u>20,780</u>	<u>21,000</u>
Creditors: amounts falling due after more than one year	19	<u>(23,612)</u>	<u>(20,643)</u>
Net (liabilities)/assets		<u><u>(2,832)</u></u>	<u><u>357</u></u>
Capital and reserves			
Called up share capital	23	28	27
Share premium account	24	333	330
Other reserves	24	(36)	-
Profit and loss reserves	24	(3,157)	-
Total equity		<u><u>(2,832)</u></u>	<u><u>357</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,157,000 (2021 - £nil).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
COMPANY BALANCE SHEET (CONTINUED)**

AS AT 30 JUNE 2022

The financial statements were approved by the board of directors and authorised for issue on 17 January 2023 and are signed on its behalf by:

I D Cliffe
Director

Company Registration No. 13091365

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 18 December 2020		-	-	-	-	-
Period ended 30 June 2021:						
Profit and total comprehensive income for the period		-	-	-	-	-
Issue of share capital	23	27	330	-	-	357
Balance at 30 June 2021		27	330	-	-	357
Year ended 30 June 2022:						
Loss for the year		-	-	-	(3,091)	(3,091)
Other comprehensive income:						
Currency translation differences		-	-	-	524	524
Total comprehensive income for the year		-	-	-	(2,567)	(2,567)
Issue of share capital	23	1	3	-	-	4
Other movements		-	-	(36)	-	(36)
Balance at 30 June 2022		28	333	(36)	(2,567)	(2,242)

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 18 December 2020		-	-	-	-	-
Period ended 30 June 2021:						
Profit and total comprehensive income for the period		-	-	-	-	-
Issue of share capital	23	27	330	-	-	357
Balance at 30 June 2021		27	330	-	-	357
Year ended 30 June 2022:						
Loss and total comprehensive income for the year		-	-	-	(3,157)	(3,157)
Issue of share capital	23	1	3	-	-	4
Other movements		-	-	(36)	-	(36)
Balance at 30 June 2022		28	333	(36)	(3,157)	(2,832)

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		768		-
Interest paid			(146)		-
Income taxes paid			(269)		-
Net cash inflow/(outflow) from operating activities			353		-
Investing activities					
Purchase of business		(60)		(19,466)	
Purchase of tangible fixed assets		(68)		-	
Net cash used in investing activities			(128)		(19,466)
Financing activities					
Proceeds from issue of shares		4		357	
Creation of other reserve		(36)		-	
Proceeds of new borrowings		115		20,602	
Net cash generated from financing activities			83		20,959
Net increase in cash and cash equivalents			308		1,493
Cash and cash equivalents at beginning of year			1,493		-
Effect of foreign exchange rates			166		-
Cash and cash equivalents at end of year			1,967		1,493

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

Company information

Biozone Scientific Group Limited (“the company”) is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor, The Mount, 72 Paris Street, Exeter, United Kingdom, EX1 2JY.

The group consists of Biozone Scientific Group Limited and all of its subsidiaries.

1.1 Reporting period

The comparative represents the 6 month period from incorporation on 18 December 2020 until the accounting reference date, 30 June 2021. The group was formed on 30 June 2021, as such, there was no trading in the comparative period whereas the current year represents 12 months of trading.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £’000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.3 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Biozone Scientific Group Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 30 June 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.5 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.7 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.8 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill on consolidation is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years. Other goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 15 years.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and equipment	20% straight line
Fixtures and fittings	25% reducing balance
Computers	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

(Continued)

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investments in subsidiaries

The carrying value of investments are reviewed and tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would include management judgements and assumptions which may not always accurately predict future events.

Stock provision

The carrying value of stock is reviewed and tested for impairment when there is an indication that the stock may be slow moving. When carrying out impairment tests these would be based upon future stock usage and these forecasts would include management judgements and assumptions which may not always accurately predict future events.

3 Turnover

	2022	2021
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	1,105	-
European Union	2,883	-
Rest of the World	6,904	-
	<u>10,892</u>	<u>-</u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

4 Non-recurring items

	2022	2021
	£'000	£'000
Expenditure		
Non-recurring remuneration	123	-
Legal, consultancy and professional fees	409	-
Relocation costs	18	-
Other	39	-
	<u>589</u>	<u>-</u>
	<u><u>589</u></u>	<u><u>-</u></u>

5 Operating loss

	2022	2021
	£'000	£'000
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(633)	-
Research and development costs	46	-
Depreciation of owned tangible fixed assets	26	-
Amortisation of intangible assets	1,326	-
Operating lease charges	259	-
	<u>259</u>	<u>-</u>
	<u><u>259</u></u>	<u><u>-</u></u>

6 Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	11	-
Audit of the financial statements of the company's subsidiaries	45	-
	<u>56</u>	<u>-</u>
	<u><u>56</u></u>	<u><u>-</u></u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	6	5	6	1
Operations	27	-	1	-
Finance and administration	8	-	2	-
Sales	14	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	55	5	9	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Wages and salaries	2,915	-	824	-
Social security costs	171	-	94	-
Pension costs	68	-	48	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,154	-	966	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	437	-
Company pension contributions to defined contribution schemes	18	-
	<u> </u>	<u> </u>
	455	-
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 0).

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8 Directors' remuneration **(Continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£'000	£'000
Remuneration for qualifying services	258	-
Company pension contributions to defined contribution schemes	17	-
	<u>275</u>	<u>-</u>

9 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest on bank overdrafts and loans	1	-
Other interest on financial liabilities	2,854	-
	<u>2,855</u>	<u>-</u>
Total finance costs	<u>2,855</u>	<u>-</u>

10 Taxation

	2022	2021
	£'000	£'000
Current tax		
Foreign current tax on profits for the current period	173	-
Adjustments in foreign tax in respect of prior periods	2	-
	<u>175</u>	<u>-</u>
Total current tax	<u>175</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(289)	-
	<u>(289)</u>	<u>-</u>
Total tax credit	<u>(114)</u>	<u>-</u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

10 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£'000	£'000
Loss before taxation	(3,205)	-
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(609)	-
Tax effect of expenses that are not deductible in determining taxable profit	395	-
Change in unrecognised deferred tax assets	(87)	-
Adjustments in respect of prior years	2	-
Effect of change in corporation tax rate	(69)	-
Amortisation on assets not qualifying for tax allowances	211	-
Other permanent differences	(2)	-
Effect of overseas tax rates	45	-
	<u> </u>	<u> </u>
Taxation credit	(114)	-
	<u> </u>	<u> </u>

11 Intangible fixed assets

Group	Goodwill
	£'000
Cost	
At 1 July 2021	14,235
Irrecoverable VAT	23
Revaluation	60
Exchange adjustments	381
	<u> </u>
At 30 June 2022	14,699
	<u> </u>
Amortisation and impairment	
At 1 July 2021	-
Amortisation charged for the year	1,326
Exchange adjustments	3
	<u> </u>
At 30 June 2022	1,329
	<u> </u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

11 Intangible fixed assets **(Continued)**

Carrying amount

At 30 June 2022	13,370
	<u> </u>
At 30 June 2021	14,235
	<u> </u>

On acquisition of the share capital of Biozone Scientific (UK) Ltd and Biozone Scientific International Limited on 30 June 2021, goodwill of £11,296,000 was generated (see **note 25**).

The remaining goodwill of £2,868,000 as at 1 July 2021 was created on the transfer of the trade and assets to Biozone Scientific America LLC of an entity on an arm's length basis on 30 June 2021.

The company had no intangible fixed assets at 30 June 2022 or 30 June 2021.

12 Tangible fixed assets

Group	Leasehold improvements £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost					
At 1 July 2021	32	124	175	38	369
Additions	4	36	24	4	68
Exchange adjustments	5	16	23	6	50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2022	41	176	222	48	487
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 July 2021	12	108	144	27	291
Depreciation charged in the year	-	8	13	5	26
Exchange adjustments	2	14	19	4	39
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2022	14	130	176	36	356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 30 June 2022	27	46	46	12	131
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2021	20	16	31	11	78
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

12 Tangible fixed assets		(Continued)			
Company		Plant and equipment £'000			
Cost					
At 1 July 2021		-			
Additions		35			
At 30 June 2022		35			
Depreciation and impairment					
At 1 July 2021		-			
Depreciation charged in the year		3			
At 30 June 2022		3			
Carrying amount					
At 30 June 2022		32			
13 Fixed asset investments					
		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Investments in subsidiaries	14	-	-	15,309	15,261
Loans to subsidiaries	14	-	-	4,426	4,426
		-	-	19,735	19,687

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
Cost or valuation			
At 1 July 2021	15,261	4,426	19,687
Revaluation	25	-	25
Irrecoverable VAT	23	-	23
At 30 June 2022	15,309	4,426	19,735
Carrying amount			
At 30 June 2022	15,309	4,426	19,735
At 30 June 2021	15,261	4,426	19,687

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Biozone Scientific (UK) Ltd	England and Wales	Ordinary	100.00	-
Biozone Scientific International Limited	Hong Kong	Ordinary	100.00	-
Cloud River Group Holding Co LLC	USA	Ordinary	100.00	-
Biozone Scientific America LLC	USA	Ordinary	0	100.00
Biozone Scientific (Shenzhen) Limited	PRC	Ordinary	0	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 1st Floor, The Mount, 72 Paris Street, Exeter, England, EX1 2JY
- 2 Unit 1101, Tins Enterprise Centre, 777 Lai Chi Kok Road, Kowloon, Hong Kong
- 3 Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware, 19801, USA
- 4 Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware, 19801, USA
- 5 (1811-1812) 18th F, Hualian Building, No 2008 Shennan Zhong Road, Futian District, Shenzhen, China

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

15 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,016	9,162	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	24,510	26,319	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The debt instruments measured at amortised cost includes cash at bank and in hand, trade debtors and other debtors.

The financial liabilities measured at amortised cost includes other borrowings, trade creditors, other creditors, accruals and deferred income.

16 Stocks

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	4,638	3,382	670	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included within group goods is a stock provision of £60,000 (2021 - £60,000). The company goods does not include a stock provision.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

17 Debtors

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,485	2,531	-	-
Amounts owed by group undertakings	-	-	355	393
Other debtors	543	5,139	216	4,963
Prepayments and accrued income	116	239	101	66
	<u>2,144</u>	<u>7,909</u>	<u>672</u>	<u>5,422</u>
	<u><u>2,144</u></u>	<u><u>7,909</u></u>	<u><u>672</u></u>	<u><u>5,422</u></u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	289	-	289	-
	<u>289</u>	<u>-</u>	<u>289</u>	<u>-</u>
	<u><u>289</u></u>	<u><u>-</u></u>	<u><u>289</u></u>	<u><u>-</u></u>
Total debtors	<u><u>2,433</u></u>	<u><u>7,909</u></u>	<u><u>961</u></u>	<u><u>5,422</u></u>

Included within trade debtors is a bad debt provision of £nil (2021 - £13,000).

Amounts owed by a group undertaking, Biozone Scientific LLC, are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

Other debtors in the comparative period was principally cash held by the company's lawyers which settled trade creditors, deferred consideration and accruals in respect of the acquisition and to provide initial working capital for the group and company.

18 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	440	1,389	321	727
Amounts owed to group undertakings	-	-	660	-
Corporation tax payable	63	158	-	-
Other taxation and social security	266	263	128	-
Other creditors	-	2,091	-	1,978
Accruals and deferred income	400	2,196	143	1,404
	<u>1,169</u>	<u>6,097</u>	<u>1,252</u>	<u>4,109</u>
	<u><u>1,169</u></u>	<u><u>6,097</u></u>	<u><u>1,252</u></u>	<u><u>4,109</u></u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

19 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Other borrowings	20	23,612	20,643	23,612	20,643
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Loans and overdrafts

		Group		Company	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Loan notes		21,633	21,518	21,633	21,518
Loan interest		2,708	-	2,708	-
Loan issue costs		(729)	(875)	(729)	(875)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		23,612	20,643	23,612	20,643
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable after one year		23,612	20,643	23,612	20,643
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Other loans represents shareholder loan notes. These are non-instalment debt, repayable in more than five years on 30 June 2027 and are secured by fixed and floating charges over all the assets of the company and its subsidiaries, they bear interest at a fixed rate of 12% and the liabilities are stated net of unamortised loan issue costs as at 30 June 2022 of £729,000 (2021 - £875,000).

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets	Assets
	2022	2021
Group	£'000	£'000
Accelerated capital allowances	(7)	-
Tax losses	296	-
	<u> </u>	<u> </u>
	289	-
	<u> </u>	<u> </u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

21 Deferred taxation		(Continued)	
	Assets	Assets	
	2022	2021	
Company	£'000	£'000	
Accelerated capital allowances	(7)	-	
Tax losses	296	-	
	<u>289</u>	<u>-</u>	
	==	==	
	Group	Company	
	2022	2022	
	£'000	£'000	
Movements in the year:			
Asset at 1 July 2021	-	-	
Credit to profit or loss	(289)	(289)	
	<u>(289)</u>	<u>(289)</u>	
Asset at 30 June 2022	==	==	
22 Retirement benefit contributions			
	2022	2021	
	£'000	£'000	
Defined contribution schemes			
Charge to profit or loss in respect of defined contribution schemes	68	-	
	<u>68</u>	<u>-</u>	
	==	==	

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the balance sheet date, there are unpaid defined benefit contributions of £3,000 (2021 - £1,000).

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

23 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
A Ordinary shares of 1p each	636,820	636,820	6	6
B Ordinary shares of 10p each	106,598	106,598	11	11
C Ordinary shares of 2p each	31,582	31,582	1	1
D Ordinary shares of 5p each	190,000	180,000	10	9
E Ordinary shares of 1p each	1,900	1,800	-	-
	<u>966,900</u>	<u>956,800</u>	<u>28</u>	<u>27</u>

The E Ordinary shares are non voting and only entitled to participate in a distribution over certain thresholds on an exit as specified in the articles. The A Ordinary shares hold 49.9% of the voting rights and otherwise rank pari passu with the voting rights of the B Ordinary shares, C Ordinary shares and D Ordinary shares.

On 2 November 2021, the company created an EMI scheme which issued options over 15,000 D and 150 E Ordinary shares. The options were valued at £0.15 and £15.40 per share, respectively.

On 29 November 2021, the company allotted a further 10,000 D Ordinary shares of £0.05 each and 100 E Ordinary shares of £0.01 each at £0.314 each which increased the share premium reserve by £2,675.

On 31 May 2022, the company agreed for 100,700 D Ordinary shares of £0.05 and 1,100 E Ordinary shares of £0.01 to be held by custodians. The company paid £34,547 to the previous shareholder for the 1,100 E Ordinary shares.

24 Reserves

Share premium

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

This represents amounts paid to a former shareholder on 31 May 2022 for part of their allotted share capital, see note 23 for the detail. The D Ordinary shares have not been cancelled.

Profit and loss reserves

Includes all current profits and losses.

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

25 Acquisition of a business

On 30 June 2021 the group acquired the entire issued share capital of the subsidiaries (see note 11 and 14).

	Book Value	Adjustments	Fair Value
Net assets acquired	£'000	£'000	£'000
Intangible assets	2,408	-	2,408
Property, plant and equipment	78	-	78
Investments	222	-	222
Inventories	3,903	(475)	3,428
Trade and other receivables	3,190	-	3,190
Cash and cash equivalents	1,494	-	1,494
Trade and other payables	(2,267)	(6)	(2,273)
Tax liabilities	(157)	-	(157)
	<u>8,871</u>	<u>(481)</u>	<u>8,390</u>
Total identifiable net assets			
Goodwill			11,296
Total consideration			<u>19,686</u>
The consideration was satisfied by:			£'000
Cash			13,784
Issue of shares			1,476
Issue of loans			4,426
			<u>19,686</u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	262	78	-	-
Between two and five years	394	119	-	-
	<u>656</u>	<u>197</u>	<u>-</u>	<u>-</u>

27 Related party transactions

The company has taken advantage of the exemption available under section 1AC.35 of FRS 102, from disclosing transactions entered into between two or more wholly-owned members of the group.

28 Controlling party

There is no ultimate controlling party of the company and its results and balance sheet are not consolidated in the financial statements of any other group.

29 Cash generated from/(absorbed by) group operations

	2022	2021
	£'000	£'000
Loss for the year after tax	(3,091)	-
Adjustments for:		
Taxation credited	(114)	-
Finance costs	2,855	-
Amortisation and impairment of intangible assets	1,326	-
Depreciation and impairment of tangible fixed assets	26	-
Foreign exchange gains on cash equivalents	(166)	-
Movements in working capital:		
Increase in stocks	(1,256)	-
Decrease in debtors	5,765	-
Decrease in creditors	(4,577)	-
Cash generated from/(absorbed by) operations	<u>768</u>	<u>-</u>

BIOZONE SCIENTIFIC GROUP LIMITED
(PREVIOUSLY CLOUD RIVER GROUP LIMITED)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

30 Analysis of changes in net debt - group

	1 July 2021	Cash flows	Other non-cash	Exchange rate	30 June 2022
			changes	movements	
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,493	308	-	166	1,967
Borrowings excluding overdrafts	(20,643)	(115)	(2,854)	-	(23,612)
	<u>(19,150)</u>	<u>193</u>	<u>(2,854)</u>	<u>166</u>	<u>(21,645)</u>
	<u><u>(19,150)</u></u>	<u><u>193</u></u>	<u><u>(2,854)</u></u>	<u><u>166</u></u>	<u><u>(21,645)</u></u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.