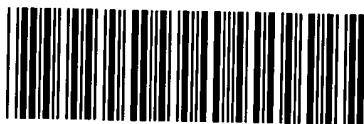


**Biozone Scientific Group Limited (previously Cloud River  
Group Limited)**

Annual report and financial statements  
for the period ended 30 June 2021

Registered number: 13091365

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# **Biozone Scientific Group Limited**

## **Annual report and financial statements for the period ended 30 June 2021**

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# **Biozone Scientific Group Limited**

## **Officers and professional advisors**

### **Directors**

JC Green  
MA Huxtable  
PD Morris  
MJ Newbold  
K Sargeant

### **Registered office**

1st Floor,  
The Mount,  
72 Paris Street,  
Exeter,  
United Kingdom,  
EX1 2JY

### **Bankers**

HSBC Plc  
26 Clumber Street,  
Nottingham,  
Nottinghamshire,  
NG1 3GA

### **Solicitors**

Browne Jacobson LLP  
Castle Meadow Road  
Nottingham  
NG2 1BJ

# Biozone Scientific Group Limited

## Strategic report for the period ended 30 June 2021

The directors present their strategic report for the period ended 30 June 2021.

### 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.

### Business review and future developments

The company incurred neither a profit or loss for the period. On 30 June 2021 it completed the acquisition of Biozone Scientific (UK) Limited, Biozone Scientific International Limited and the trade and assets of Biozone Scientific International, Inc in the US through its newly incorporated wholly owned US subsidiaries. The acquisition facilitated by Lloyds Development Capital ('LDC') providing the private equity funds. The resulting financial position as at 30 June 2021 is set out on page 5 and the directors have plans for the growth of the group's business including further investment in products and evaluation of complementary businesses.

There is therefore no trading in the group in this period and the next set of financial statements to 30 June 2022 will include a full year of post-acquisition consolidated results.

### Principal risks and uncertainties

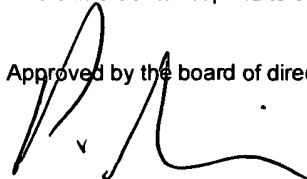
The management of the business and the execution of the group's strategy are subject to a number of risks

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.

### 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.

Approved by the board of directors and signed on behalf of the board



PD Morris  
Director

16 March 2022

# Biozone Scientific Group Limited

## Directors' report for the period ended 30 June 2021

The directors present their annual report and the unaudited financial statements of the company for the period ended 30 June 2021.

### Directors

The directors who served in the period, and subsequently, are as follows:

JC Green	(appointed 30 June 2021)
MA Huxtable	(appointed 30 June 2021)
PD Morris	(appointed 18 December 2020)
MJ Newbold	(appointed 30 June 2021)
K Sargeant	(appointed 30 June 2021)

### Dividends

The directors do not recommend the payment of a dividend.

### Going concern

The directors have considered the financial position of the company, together with the factors likely to affect its future development as well as its current liquidity position and group commitments. The directors have reviewed the company's and group's forecasts and likely future cash flows, taking into account in particular the potential impact of market conditions the group's current net borrowings and uncommitted cash deposits. The group's borrowings relate to loan notes with interest rolled up until 30 June 2022 and then paid quarterly in arrears. The capital repayment is not due until 2027.

Based on the available information including recent trading of the subsidiary companies, the directors consider that the company and trading companies in the group have the plans and resources needed to manage business risks successfully and remain financially robust.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Accordingly, the going concern basis of preparation is applied in the financial statements.

### Strategic report

The following items have been included within the strategic report on page 2:

- Principal activities
- Results
- Business review and future developments
- Principal risks and uncertainties
- Financial risk management

### Directors' indemnities

The company maintains liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006, and was in place during the financial period and up to the date of signing these financial statements.

# Biozone Scientific Group Limited

## Directors' report for the period ended 30 June 2021 (continued)

### Statement of directors' responsibilities

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

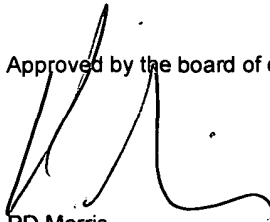
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board



PD Morris  
Director

16 March 2022

# Biozone Scientific Group Limited

## Balance sheet as at 30 June 2021

	Note	30 June 2021 £'000
<b>Fixed assets</b>		
Investments	6	19,686
<b>Current assets</b>		
Debtors	7	5,422
Cash at bank and in hand		-
Creditors: amounts falling due within one year	8	(4,109)
<b>Net current assets</b>		<b>1,313</b>
<b>Total assets less current liabilities</b>		<b>20,999</b>
Creditors: amounts falling due after more than one year	9	(20,643)
<b>Net assets</b>		<b>356</b>
<b>Capital and reserves</b>		
Called up share capital	10	27
Share premium account	10	329
Profit and loss account		-
<b>Total equity</b>		<b>356</b>

For the period ended 30 June 2021 the company was entitled to the exemption under section 477 of the Companies Act 2006. Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

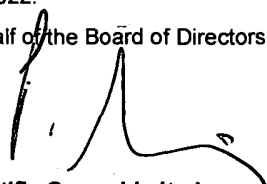
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements on pages 5 to 16 were approved by the Board of Directors and authorised for issue On 16 March 2022.

Signed on behalf of the Board of Directors

PD Morris  
Director



Biozone Scientific Group Limited

Company Registration Number: 13091365

The notes on pages 7 to 11 form part of these financial statements

# Biozone Scientific Group Limited

## Statement of changes in equity for the period ended 30 June 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£'000		£'000	£'000
On incorporation	-	-	-	-
Loss and total comprehensive expense for the financial period	-	-	-	-
Issue of share capital (note 10)	27	329	-	356
<b>At 30 June 2021</b>	<b>27</b>	<b>329</b>	<b>-</b>	<b>356</b>

*The notes on pages 7 to 11 form part of these financial statements*



# Biozone Scientific Group Limited

## Notes to the financial statements for the period ended 30 June 2021

### 1 General information

The company is a holding company. Its subsidiaries distribute and sell ultraviolet products for disinfection, sanitation, preventative maintenance, and odor control solutions. The company is a private company, limited by shares, United Kingdom incorporated, registered and domiciled in England. The address of the registered office is 1st Floor, The Mount, 72 Paris Street, Exeter, United Kingdom, EX1 2JY

### 2 Statement of compliance

The financial statements of Biozone Scientific Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

#### Exemptions

The company and its subsidiaries qualifies as a small company and small group for the period ended 30 June 2021. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The company has also taken advantage of the exemption from preparing a cash flow statement.

#### Going concern

The directors have considered the financial position of the company, together with the factors likely to affect its future development as well as its current liquidity position and group commitments. The directors have reviewed the company's and group's forecasts and likely future cash flows, taking into account in particular the potential impact of market conditions the group's current net borrowings and uncommitted cash deposits. The group's borrowings relate to loan notes with interest rolled up until 30 June 2022 and then paid quarterly in arrears. The capital repayment is not due until 2027. Based on the available information including recent trading of the subsidiary companies, the directors consider that the company and trading companies in the group have the plans and resources needed to manage business risks successfully and remain financially robust.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Accordingly, the going concern basis of preparation is applied in the financial statements.

#### Investments

Investments are stated at cost less provisions for any impairment. Investments are tested for impairment when an event that might affect asset values has occurred.

#### Financial assets

Basic financial assets, including amounts owed by group undertakings and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Cash and cash equivalents comprise cash held at bank which is available on demand.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

# Biozone Scientific Group Limited

## Notes to the financial statements for the period ended 30 June 2021 (continued)

### 3 Summary of significant accounting policies (continued)

#### Financial liabilities

Basic financial liabilities, including trade and other payables, bank borrowings and loans and amounts due to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Borrowings are initially stated at the fair value of the consideration received after deduction of wholly attributable issue costs. Issue costs are amortised to the profit and loss account over the term to maturity of the relevant borrowings.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

#### Share capital

Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. The company's ordinary shares are classified as equity instruments.

#### Share premium account

Amounts subscribed for shares in excess of the nominal value are credited to the share premium account.

#### Profit and loss account

The profit and loss account reserve represents cumulative net profits from the statement of comprehensive income. Movements on the reserve are set out in the statement of changes in equity.

### 4 Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Investments in subsidiaries

The carrying values 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.

# Biozone Scientific Group Limited

## Notes to the financial statements for the period ended 30 June 2021 (continued)

### 5 Information regarding directors and employees

The company had no employees other than the 5 directors. The directors received no emoluments for their services to this company for the period.

### 6 Investments

	Loans	Investment in shares	Total
	£'000	£'000	£'000
<b>Cost and net book value</b>			
<b>Additions and at 30 June 2021</b>	<b>4,426</b>	<b>15,260</b>	<b>19,686</b>

The company incorporated a new direct US subsidiary Cloud River Group Holding Co, with a new indirect subsidiary, Biozone Scientific America LLC, and on 30 June 2021 this acquired the trade and assets of Biozone Scientific International Inc in the US. The company acquired 100% of the share capital of Biozone Scientific (UK) Limited and Biozone Scientific International Limited for total consideration of £13,784,000, subscribed £1,476,000 in the share capital of its direct US subsidiary and advanced a long term loan considered to be an investment in nature to the US subsidiary of £4,426,000. This was funded by the issue of equity and loan notes to a private equity investor, selling shareholders partly reinvesting and management.

The company has the following subsidiary undertakings, all of which are engaged in the distribution and sale of air purifiers.

Subsidiary undertaking	Registered office	Class of shares held	% share holding
Biozone Scientific (UK) Limited	1st Floor The Mount, 72 Paris Street, Exeter, England, EX1 2JY	Ordinary	100%
Biozone Scientific International Limited	Unit 1101, Tins Enterprise Centre, 777 Lai Chi Kok Road, Kowloon, Hong Kong	Ordinary	100%
Biozone Scientific (Shenzhen) Limited	(1811-1812) 18 <sup>th</sup> F, Hualian Building, No 2008 Shennan Zhong Road, Futian District, Shenzhen, China	Ordinary	100% held indirectly
Cloud River Group Holding Co LLC	Renaissance Centre, 405 North King Street, Suite 500, Wilmington 19801	Ordinary	100%
Biozone Scientific America LLC	Renaissance Centre, 405 North King Street, Suite 500, Wilmington 19801	Ordinary	100% held indirectly

A loan of £4,426,000 to a subsidiary undertaking, Cloud River Group Holding Co LLC is repayable 30 June 2026 and bears interest at 12.5% which is payable quarterly or may be deferred at the discretion of the company.

# Biozone Scientific Group Limited

## Notes to the financial statements for the period ended 30 June 2021 (continued)

### 7 Debtors

	30 June 2021
	£'000
Amounts falling due within one year	
Amounts owed by group undertakings	394
Other debtors	4,962
Prepayments	66
	5,422

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

Other debtors are principally cash held by the company's lawyers utilised after the balance sheet date to settle trade creditors, deferred consideration and accruals in respect of the acquisitions and to provide initial working capital for the company.

### 8 Creditors: amounts falling due within one year

	30 June 2021
	£'000
Trade creditors	727
Other creditors	1,978
Accruals and deferred income	1,404
	4,109

### 9 Creditors: amounts falling due after more than one year

	30 June 2021
	£'000
Other loans	20,643

Other loans comprise shareholder held 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 2021 of £875,000.

# Biozone Scientific Group Limited

## Notes to the financial statements for the period ended 30 June 2021 (continued)

### 10 Called up share capital

	30 June 2021 £'000
Allotted, called up and fully paid:	
636,820 £0.01 A ordinary shares	6
106,598 £0.10 B ordinary shares	11
31,582 £0.02 C ordinary shares	1
180,000 £0.05 D ordinary shares	9
1,800 £0.01 E ordinary shares	-
	<b>27</b>

One £1 ordinary share was issued at par on incorporation. On 30 June 2021 this was redesignated as a B ordinary share and subdivided into 10 £0.01 shares. On 30 June 2021, 636,620 £0.01 A ordinary shares were issued at £0.314 each, 106,588 £0.10 B ordinary shares at £0.314 each, 31,582 £0.02 C ordinary shares at £0.314 each, 180,000 £0.05 D ordinary shares at £0.314 each and 1,800 £0.01 E ordinary shares at £31.40 each resulting in nominal share capital of £26,678 and a share premium of £329,789.

The E 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 shares hold 49.9% of the voting rights and otherwise rank equally with the voting B, C and D shares.

### 11 Related party transactions

#### Key management

This is considered to be the company's directors and senior management team. Key management subscribed for £2,432,000 of loan notes on 30 June 2021.

#### Other related parties

The company's private equity investors, Lloyds Development Capital, are considered to be a related party. They subscribed for £17,971,000 of loan notes on 30 June 2021.

### 12 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.