

**Half Year Unaudited Consolidated Financial Statements for the
period ending 30th June 2021**

Please find attached the below Announcement.

Attachment:

1. **Announcement**

Regulated

Publication Date: 13/10/2021

FOS HOLDINGS PLC
Half Year Unaudited
Consolidated Financial Statements
for the period ending
30th June 2021

**Contents of the Consolidated Financial Statements
for the 6 Months ending 30th June 2021**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	5
Report of Affirm Accountant Ltd	7
Consolidated Statement of Profit or Loss	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15
Consolidated Income Summary	24

FOS HOLDINGS PLC

**Company Information
for the 6 Months ending 30th June 2021**

DIRECTORS:

M Battles
N Johns
P R J Tucker
K Napaul
J P M Cook

SECRETARY:

J P M Cook

REGISTERED OFFICE:

Unit 14 Garth Business Centre
193 Garth Road
Morden
Surrey
SM4 4LZ

REGISTERED NUMBER:

11111446 (England and Wales)

AUDITORS:

CapShire Audit Ltd
Statutory Auditor
86-90 Paul Street
London EC2A 4NE

REPORTING ACCOUNTANTS

Affirm Accountant Ltd
Unit 14 Garth Business Centre
193 Garth Road
Morden
Surrey SM4 4LZ

FOS HOLDINGS PLC

Group Strategic Report for the 6 Months ending 30th June 2021

The directors present their strategic report of the company and the group for the for the 6 Months ending 30th June 2021.

During the first half of 2021, the company has been preparing for a listing of its securities on the Cyprus Stock Exchange, which it expects to take place during the last quarter of 2021. Once listed, the Group will seek to acquire various other companies within its sectors of operation, prominently Film and Theatre going forward.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the company and its responses thereto are summarised in this analysis. Not all these factors are within the management's control and there may be risks and uncertainties which are unknown to the company. Other risks may not be deemed relevant now but may turn out to be significant in the future.

A number of factors influence and could influence the Group's operations and financial performance and ultimately the Company's ability to pay dividends. The Directors consider the following risks to be the most significant for potential investors in the Company. The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Company. In particular, the Group's performance may be affected by changes in the market and/or economic conditions in legal, regulatory and tax requirements. Prospective investors should be aware that an investment in the Company involves a higher than normal degree of risk. In addition to the other information contained in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. Prospective investors should carefully consider the other information in these financial statements.

Additional risks and uncertainties not presently known to the Group or the Directors or, that they currently deem immaterial may also impair the Group's business operations. The business, financial condition or result of operations of the Group could be materially and adversely affected by any of these risks. The trading price of the Ordinary Shares could decline due to any of these risks and investors could lose all or part of their investment.

DEPENDENCE ON DIRECTORS AND MANAGEMENT TEAM

To a large extent, the Group's success will depend on the abilities and continued efforts of the Board and the management team. The management team and the Board include qualified personnel with experience across a range of industries. The loss of any director or key manager may adversely affect the Group's operations and competitiveness in the market.

The Group will strive to minimise this risk by ensuring that it has the ability to retain key people but it may need to offer higher compensation and other benefits, such as option shares, in order to attract and retain and motivate the key management.

EXPOSURE TO FOREIGN EXCHANGES RISK

The costs of production and the income earned from the operations may be denominated in a number of foreign currencies. Whilst the Company may enter into forward currency contracts to partially mitigate these risks, there remains a risk that significant movements in foreign exchange rates may adversely affect the Company's future financial performance.

RISKS RELATING TO OPERATING HISTORY, PAST AND FUTURE PERFORMANCE

The Company is a relatively newly formed company with no established trading record and does not presently carry on any substantial trading activities. Neither the Company, nor its subsidiaries have earned profits since incorporation and there is no assurance that they will earn profits in the future. The Company's actual performance could differ materially from projections. The Company will be operating in a competitive industry where the commercial risks are high. Any investment in a business such as the Company is, therefore, highly speculative and no guarantee of any return may be given.

RISKS RELATING TO FOS MEDICAL LTD

The healthcare sector is characterized by rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. The Company may encounter unforeseen operational, technical and other challenges as their products and services are deployed and tested, some of which may cause significant delays, trigger contractual penalties or result in unanticipated expenses and/or damage to the Company's reputation. It may also be liable for product warranty claims as a result of defects or failures of such new products and services, which may prove costly in terms of litigation or settlement costs, reputational damage, loss of business to competitors, damage to relationships with suppliers and time devoted to remediation of any such defects or failures.

The Company has competitors in the UK and internationally, both in relation to identifying and developing early-stage technologies as well as in the discovery and development of product candidates. These competitors include research institutions, small entrepreneurs as well as established healthcare companies. The degree of competition in the market sectors where the Company is seeking to develop its products could materially, adversely affect the Group's prospects, financial condition and results of operations.

Intellectual Property Risk

The Company's success depends in part on its ability to protect its intellectual property rights. If it fails to adequately protect its intellectual property rights, competitors may imitate or use its intellectual properties without its authorisation. In addition, third parties could claim that the Company's current or future technologies or products infringe or misappropriate their patent or other proprietary rights, thereby bringing legal action against the Company. Such claims are usually complex, costly and may adversely impact the Company.

Legislative Risks

The Company's operations are subject to laws and regulatory restrictions governing its multiple product and service lines, clinical infrastructure, medical IP, supply and distribution, product development, production, environmental protection, occupational health, safety, toxic substances, and other matters. Although the Directors intend that all activities be carried out in accordance with applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's trading activities.

RISKS RELATED TO FOS VENTURES LTD

Risks in relation to specific investments and the level of investment made will relate to each individual transaction. Investments made to take minority stakes may have less significant impact on the group's overall business whereas a majority interest in any specific investment may provide a greater risk to the group in support of such investment

RISKS RELATED TO FOS FRANCHISING LTD

Not all franchising of selected group products once identified as suitable for Franchising, may be successful. Each franchising model will require capital and the development of individual franchise systems and satisfying regulatory obligation on a product by product basis.

FOS HOLDINGS PLC

Group Strategic Report for the 6 Months ending 30th June 2021

Share price risk

The price of the Company's shares may decline due to general market sentiment as well as an imbalance between potential buyers and sellers of the Company's shares. Additionally, a lack of adequate liquidity in the market may mean that investors are unable to dispose of their shares at either the time or value they seek.

Risks relating to taxation

Changes in government or government policy could affect the tax treatment of any of the films comprised on the Slate and any investments. This could have a material effect on the performance of the Company and any investment in the Company

Risks relating to returns

In circumstances where the Company seeks funding from sources other than from its Shareholders, these may need to be repaid in preference to any payment to shareholders. This will reduce the amounts of any revenues from any of the films on the Slate available to the Company.

Economic risk

Inflation and economic risk could increase the costs of operations within the group. Deflation could reduce the value of an investment in the Company and any return that may be achieved

FINANCIAL REVIEW

Turnover for the six month period was £0 (2020 - £0), resulting in a gross profit margin of 0% (2019 - 0%). The operating loss for the 6 month period was £25,414 (2020 - £21,584,405 loss). The net financial cost for the 6 month period was £0 (2020 - £0).

TRADING STATEMENT:

As a result of the Covid-19 pandemic, the Directors took the decision during the last quarter of 2020, to spin out two separate divisions, namely FOS Productions and FOS Developments together with the various assets in those two vertical groups to two newly formed companies, namely Shepperton Media Plc and Ravel Construction Plc respectively, with FOS Shareholders receiving a distribution in shares in these two new vehicles to reflect the transfer of assets from the Company. The Directors additionally wrote off a number of investments again due to the Pandemic, which because of the global shutdown made these investments non-viable.

The Directors believe that the company is now well placed to develop opportunities once listed on the Cyprus Stock Exchange. This will give shareholders the best opportunity for their investments, and allowed the Group to weather the economic conditions, and set a strong base for future growth and success.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

ON BEHALF OF THE BOARD:



N Johns - Director

24 September 2021

FOS HOLDINGS PLC

Report of the Directors for the 6 months ending 30 June 2021

The directors present their report with the financial statements of the company and the group for the 6 Months ending 30th June 2021.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M Battles
N Johns
P R J Tucker
K Napaul
J P M Cook

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 the group 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 that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group'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 audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



N Johns - Director

24 September 2021

Report of Affirm Accountant Ltd to the Members of FOS Holdings PLC

Opinion

We have prepared the unaudited the financial statements of FOS Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the 6 Months ending 30th June 2021 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors but does not include the financial statements and our 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.

In connection with our scope of work of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during our work 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 financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of Affirm Accountant Ltd to the Members of
FOS Holdings PLC**

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page five, 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 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Use of our report

This interim 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. 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 work, for this report.



Ian Ferguson

Affirm Accountant Ltd
Unit 14 Garth Business Centre
193 Garth Road
Morden
Surey
SM4 4LZ

24 September 2021

FOS HOLDINGS PLC

**Consolidated Statement of Profit or Loss
for the 6 Months ending 30 June 2021**

		Period 1.1.21 to 30.6.21 £	Year 1.01.20 to 31.12.20 £
	Notes		
CONTINUING OPERATIONS			
Revenue		-	-
Cost of sales		<u>-</u>	<u>12,847</u>
GROSS GAIN/LOSS		-	12,847
Administrative expenses		(25,414)	12,749
Impairment of investments		-	(21,610,000)
Gain on acquisition		-	5,245,140
Impairment of Goodwill		<u>-</u>	<u>-</u>
OPERATING LOSS		(25,414)	<u>(16,339,264)</u>
LOSS BEFORE INCOME TAX	4	(25,414)	(16,339,264)
Taxation	5	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD		<u>(25,414)</u>	<u>(16,339,264)</u>
Loss attributable to: Owners of the parent		<u>(25,414)</u>	<u>(16,339,264)</u>

The notes form part of these financial statements

FOS HOLDINGS PLC**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the 6 Months ending 30 June 2021**

	Period 1.1.21 to 30.06.21 £	year 1.1.20 to 31.12.20 £
LOSS FOR THE PERIOD	(25,414)	(16,339,264)
OTHER COMPREHENSIVE INCOME	_____ -	_____ -
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(25,414)	<u>(16,339,264)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(25,414)</u>	<u>(16,339,264)</u>

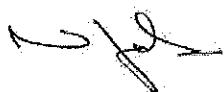
The notes form part of these financial statements

FOS HOLDINGS PLC (REGISTERED NUMBER: 11111446)

**Consolidated Statement of Financial Position
for the period ending 30 June 2021**

	Notes	Period 2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Intangibles assets	7	<u>12,544,225</u>	<u>12,544,225</u>
		<u>12,544,225</u>	<u>12,544,225</u>
CURRENT ASSETS			
Trade and other receivables	9	14,526	12,261
Cash and cash equivalents	10	<u>5,042</u>	<u>3,573</u>
		<u>19,568</u>	<u>15,834</u>
TOTAL ASSETS		<u>12,563,793</u>	<u>12,560,059</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	1,808,250	1,808,250
Share premium	12	22,402,083	22,402,083
Merger reserve	12	23,434	23,434
Other reserves	12	5,245,140	5,245,140
Retained earnings	12	<u>(24,488,852)</u>	<u>(24,463,438)</u>
TOTAL EQUITY		<u>4,990,055</u>	<u>5,015,469</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	250,805	201,695
NON-CURRENT LIABILITIES			
Loans due in more than one year	14	<u>47,282</u>	<u>67,245</u>
TOTAL LIABILITIES		298,088	268,940
NON-CONTROLLING INTEREST		<u>7,275,650</u>	<u>7,275,650</u>
TOTAL EQUITY AND LIABILITIES		<u>12,563,793</u>	<u>12,560,059</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 September 2021, and weresigned on its behalf by:



N Johns - Director

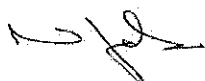
The notes form part of these financial statements

FOS HOLDINGS PLC (REGISTERED NUMBER: 11111446)

**Company Statement of Financial Position
for the period ending 30 June 2021**

	Notes	Period 2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Intangibles	7	-	-
Investments	8	<u>3</u>	<u>3</u>
		<u>3</u>	<u>3</u>
CURRENT ASSETS			
Trade and other receivables	9	14,526	12,261
Cash and cash equivalents	10	<u>5,042</u>	<u>3,573</u>
		<u>19,568</u>	<u>15,834</u>
TOTAL ASSETS		<u>19,568</u>	<u>15,837</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	1,808,250	1,808,250
Share premium	12	22,402,083	22,402,083
Retained earnings	12	(24,488,852)	(24,463,438)
TOTAL EQUITY		<u>(278,519)</u>	<u>(253,105)</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	250,805	201,697
NON-CURRENT LIABILITIES			
Loans due in more than one year	14	<u>47,282</u>	<u>67,245</u>
TOTAL LIABILITIES		<u>298,088</u>	<u>268,942</u>
TOTAL EQUITY AND LIABILITIES		<u>19,568</u>	<u>15,837</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 September 2021 and were signed on its behalf by:



N Johns - Director

FOS HOLDINGS PLC

**Consolidated Statement of Changes in Equity
for the period ending 30 June 2021**

	Called up share capital £	Retained Earnings £	Share Premium £	Merger Reserve £	Other Reserves £	Total Equity £
Changes in equity						
Issue of share capital	618,852		20,992,571	-	-	21,611,424
Adjustment to retained earnings	-	63,333	-	-	-	63,333
Acquisition of subsidiaries	-	(5,245,140)	-	23,434	5,245,140	23,434
Total comprehensive income	-	(16,339,264)	-	-	-	(16,339,264)
Balance at 31 December 2020	1,808,250	(24,463,438)	22,402,083	23,434	5,245,140	5,015,469
Changes in equity						
Issue of share capital	-	-	-	-	-	-
Adjustment to retained earnings	-	(25,414)	-	-	-	(25,414)
Acquisition of subsidiaries	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Balance at 30th June 2021	1,808,250	(24,488,852)	22,402,083	23,434	5,245,140	4,990,055

FOS HOLDINGS PLC

**Consolidated Statement of Cash Flows
for the period ending 30 June 2021**

		Period £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	-	<u>(38,891)</u>
Net cash from operating activities		<u>-</u>	<u>(38,891)</u>
Cash flows from investing activities			
Investment in subsidiary		-	(21,610,000)
Purchase of goodwill		<u>-</u>	<u>-</u>
Net cash from investing activities		-	<u>(21,610,000)</u>
Cash flows from financing activities			
Bank and other loans		8,615	35,250
Share issued		<u>-</u>	<u>21,611,423</u>
Net cash from financing activities		-	<u>21,646,673</u>
		<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		(8,615)	(2,218)
Cash and cash equivalents at beginning of period	2	3,573	5,791
		<u>-</u>	<u>-</u>
Cash and cash equivalents at end of period	2	<u>5,042</u>	<u>3,573</u>

FOS HOLDINGS PLC

**Notes to the Consolidated Statement of Cash Flows
for the period ending 30 June 2021**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1.1.21 to 30.6.21 £	Year 1.1.20 to 31.12.20 £
Loss before income tax	(25,414))	(16,339,264
Add: Impairment of Investments	-	21,610,000
Add: Gain on acquisition	-	(5,245,140)
Add: Impairment of goodwill	<u>-</u>	<u>-</u>
	-	25,596
Decrease/(increase) in trade and other receivables	-	(7,275)
(Decrease)/increase in trade and other payables	<u>-</u>	<u>(57,212)</u>
Cash generated from operations	<u>-</u>	<u>(38,891)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

6 Months ending 30th June 2021

	30.6.21 £	31.12.20 £
Cash and cash equivalents brought forward	5,791	7,442
Adjustment for creditors	<u>749</u>	<u>(1,651)</u>
Cash and cash equivalents	<u>5,042</u>	<u>5,791</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the period ending 30 June 2021

1. **STATUTORY INFORMATION**

FOS Holdings PLC is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standard "The Financial Reporting Standard applicable as adopted by the EU (adopted IFRS) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The principal activity of the company is that of an investor in production of feature films.

These consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (adopted IFRS). IFRSs comprise accounting standards issued by the International Accounting Standards Board, and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee, and its predecessor body.

Judgements in applying accounting and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following principal accounting policies have been applied:

Going concern

The Directors have reviewed forecasts and budgets for the coming year, which have been drawn up with appropriate regard for the current economic environment and the particular circumstances in which the Group operates. These were prepared with reference to historical and current industry knowledge, taking into account future strategy of the Group.

The Group is a relatively new with no established trading record. The Group loss for the year was £25,414 (2020 - (£16,339,264) loss). Neither the Company, nor its subsidiaries have generated any revenue since incorporation and there is no assurance that they will generate any revenue in the future. The Company's actual performance could differ materially from projections.

During the year, the Group funded its working capital with the VAT refund from the tax authorities. The Group is dependent on the directors' and shareholders' continued support to meet working capital requirements of the Group and their ability to finance projects in the future. If necessary, the group will raise additional funding from a call on Shareholders and or through the market by the issuance of new shares and or debt.

The amount and timing of additional financing needs will vary depending on timing of new centres and acquisitions and the amount of cash flow from the groups existing operations. The Group may seek additional financing by selling additional equity or debt securities and for obtaining a credit facility. The sale of additional equity securities could result in dilution to existing Shareholders. The incurrence of indebtedness would result in debt service obligations and could result in operating and financing covenants that may, among other things, restrict expansion plans and operations or the Company's ability to pay dividends.

The Groups ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, some of which are beyond the Directors control, including general economic and capital market conditions credit availability from banks or other lenders, investors' confidence in a Group, the dynamics of the industry in general, and the Groups operating and financial performance.

The Directors are unable to guarantee that future financing will be available in amounts or on terms acceptable to the Group, if at all. In the event that financing is not available or is not available on terms acceptable to the Group, the Groups business and expansion plans, results of operations and growth prospects may be adversely affected.

Notes to the Consolidated Financial Statements - continued
for the period ending 30 June 2021

2. ACCOUNTING POLICIES - continued

Going concern - continued

The directors are confident that they can raise sufficient funds from existing and new investors based on historic experience and as a consequence, believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. On this basis, the directors are satisfied that the going concern basis is appropriate for these financial statements.

However, given that a degree of uncertainty exists in the timing of future revenue, and management's ability to raise additional capital, there exists a material uncertainty in relation to the going concern basis adopted in the preparation of the financial statements.

Reporting period

The reporting period relates to the period ending 30 June 2021 which was a 6 month period. The comparative information presented in the financial statements relates to the period ending 31 December 2021, which is 12 month period, therefore the comparative amounts are not directly comparable.

International Accounting Standards (IAS/IFRS) and Amendments adopted by the EU but not yet effective

- IFRS 7 Financial Instruments: Disclosures Amendments regarding replacement issues in the context of the IBOR reform (Issued August 2020, effective 1 January 2021)
- IFRS 9 Financial Instruments: Amendments regarding replacement issues in the context of the IBOR reform (Issued August 2020, effective 1 January 2021)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Amendments regarding the definition of accounting estimates (Issued February 2021, effective 1 January 2023)

Revenue

Revenue, which excludes value added tax ("VAT"), constitute the value of services undertaken by the group from its principal activities of the parent company and that of the subsidiaries in the Group.

Consolidation

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities; such as trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Notes to the Consolidated Financial Statements - continued
for the period ending 30 June 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments – continued

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an 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.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Intangible assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulative impairment losses. Internally generated intangibles, excluding capitalised development costs are not capitalised and the related expenditure is reflected in the profit and loss in the period the expenditure is incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 currency transactions

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

FOS HOLDINGS PLC

**Notes to the Consolidated Financial Statements - continued
for the period ending 30 June 2021**

3. EMPLOYEES AND DIRECTORS

	Period 1.1.21 to 30.6.21 £	Year 1.1.20 to 31.12.20 £
Wages and salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>

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

	Period 1.1.21 to 30.6.21 £	Year 1.1.20 to 31.12.20 £
Administration	-	-
	<u>-</u>	<u>-</u>

	Period 1.1.21 to 30.6.21 £	Year 1.1.20 to 31.12.20 £
Directors' remuneration	-	-

4. LOSS BEFORE TAXATION

The loss before income tax is stated after charging:

	Period 1.1.21 to 30.6.21 £	Year 1.1.20 to 31.12.20 £
Cost of inventories recognised as expense	-	-
Auditors' remuneration	-	20,000
Foreign exchange differences	-	-
	<u>-</u>	<u>-</u>

FOS HOLDINGS PLC

Notes to the Consolidated Financial Statements - continued for the period ending 30 June 2021

5. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the period ended 31 December 2020 nor for the period ended 30 June 2021.

Factors affecting the tax expense

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

	Period	Year
	1.1.21	1.1.20
	to	to
	30.6.21	31.12.20
	£	£
Loss before income tax	(25,414)	<u>(16,339,264)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(4,829)	(3,104,460)
Effects of:		
Unrelieved loss carried forward	3,104,460	3,104,460
Expenses not deductible for tax purposes	<u> -</u>	<u> -</u>
Tax expense	<u> -</u>	<u> -</u>

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £25,414 (2020 – loss £21,584,404).

7. INTANGIBLES ASSETS

Group

NET BOOK VALUE

At 30 June 2021

£
12,544,225

NET BOOK VALUE

At 31 December 2020

12,544,225

INTANGIBLES ASSETS - continued

The Intellectual Property consists of two proprietary technology protocols, identified as Tricogeneca and Biovexa. Tricogeneca aims to emerge as a pioneer in stem cell related procedures for hair loss treatment. Tricogeneca has developed a hybrid technology with the culmination of stem cells and FUE (Follicular Unit Extraction) technology. Some key technologies that are developed by the company and are ready for commercial application include: treatment processes for hair loss treatment based on buffer solution method and water-based solution method, creams, and lotions for post-stem cell treatment and 'botox-type' injections.

Biovexa aims to develop a comprehensive patent portfolio on stem cell-based treatment procedures. Through intensive research on stem cell based procedures, it then plans to secure patents on these developments in multiple jurisdictions around the world. These patents would then be licensed to pharmaceutical companies willing to gain a foothold in the rapidly emerging field of stem-cell based therapies.

Key Risks

It is important to note that there is no technology patent/copyright registered for these two technologies and therefore there is risk that the technology can be copied by other competitors in the market. Although the processes have been developed but not yet placed into commercial operation. There is no regulatory approval for clinical trials or regulatory licensing for general application at this stage. A limited number of trials were carried out in Turkey on a small scale. Commercial stem cell treatment is not allowed in the UK or Europe.

The professional valuation of these technologies was last carried out back in 2017. The valuation model considers various factors which may influence the IP value. For example, people (management team), alliances and partnerships, intellectual property rights, R&D and technology context, funding and financing, market opportunity and therapeutic areas, overall market context etc. Therefore, the value recognised in these accounts reflects various business opportunities, risks and technological developments of the group as well as the group strategic plans, including the various business scenarios, and potential opportunities.

Valuation Methodology and Key Assumptions

Tricogeneca and Biovexa's products and services are in early stages of development and commercialization. The directors have assumed that the operations of the company's products and services are expected to happen over the next few years and have used Discounted Cash Flow (DCF) methods for valuation. This methodology works on the premise that the value of a business is measured in terms of future cash flows, discounted to the present time at an appropriate discount rate.

Based on the business plans produced by the management, Tricogeneca and Biovexa are valued on DCF basis as given below:

- **Free Cash Flow:** Explicit period of 10 years is considered for projections: The initial 5-year period has been considered to cover the full commercialization and maturity of the products and services. Beyond this period, it is assumed that the companies will have stable cash flows.
- **Discounting Factor:** In determining the present value of the cash flows, the discount rate used is weighted average cost of capital. The management have used cost of equity of 30% as a discounting rate. This reflects the opportunity cost of the company.

Potential sensitivity scenarios have been considered. With a 5% increase in the discount rate the valuation will reduce by approximately 18%. While the management have considered business strategy, opportunities, risks, and technological development plans, achievement of revenue and profitability as envisaged will remain a critical factor and, as such, revenues and profitability remain key risks of this valuation. Finally, it is important to emphasize that the valuation include aspects of a subjective exercise. As a result, the opinions on valuation may differ depending upon individual perception of the circumstances and current context. Therefore, this valuation represents an estimate and assessment based on the information and assumptions detailed above.

FOS HOLDINGS PLC

Notes to the Consolidated Financial Statements - continued for the period ending 30 June 2021

8. INVESTMENTS

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following. These subsidiary have all been included in the consolidated financial statements.

FOS Medical Ltd

Registered office: 193 Unit 14 Garth Business Centre, 193 Garth Road, Morden, United Kingdom, SM4 4LZ

Nature of business: Medical Research

Class of shares:	% Holding
Ordinary	100.00

FOS Ventures Ltd

Registered office: 193 Unit 14 Garth Business Centre, 193 Garth Road, Morden, United Kingdom, SM4 4LZ

Nature of business: Diverse Corporate Investments

Class of shares:	% Holding
Ordinary	100.00

FOS Franchising Ltd

Registered office: 193 Unit 14 Garth Business Centre, 193 Garth Road, Morden, United Kingdom, SM4 4LZ

Nature of business: Dormant

Class of shares:	% Holding
Ordinary	100.00

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	Period £	2020 £	Period £	2020 £
Current:				
Other debtors	-	1,424	-	1,424
VAT	<u>14,526</u>	<u>10,837</u>	<u>14,526</u>	<u>10,837</u>
	<u>14,526</u>	<u>12,261</u>	<u>14,526</u>	<u>12,261</u>

FOS HOLDINGS PLC

Notes to the Consolidated Financial Statements - continued for the period ending 30 June 2021

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	Period £	2020 £	Period £	2020 £
Cash in hand	-	450	-	450
Bank accounts	<u>5,042</u>	<u>3,123</u>	<u>5,042</u>	<u>3,123</u>
	<u>5,042</u>	3,573	<u>5,042</u>	3,573

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	Period £	2020 £
180,825,010	Ordinary	1p	<u>1,808,250</u>	<u>1,808,250</u>

No shares were allotted during the period.

12. RESERVES

Group	Retained Earnings £	Share Premium £	Merger Reserve £	Other Reserves £	Total Equity £
At 1 January 2021	(24,463,438)	22,402,083	23,434	5,245,140	3,207,219
Issue of share capital	-	-	-	-	-
Adjustment to retained earnings	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-
Deficit for the period	(25,414)	-	-	-	(25,414)
At 30 June 2021	<u>(24,488,852)</u>	<u>22,402,083</u>	<u>23,434</u>	<u>5,245,140</u>	<u>3,181,805</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	<u>(24,463,438)</u>	<u>22,402,083</u>	<u>(2,086,769)</u>
Deficit for the period	(25,414)	-	-
At 30 June 2021	<u>(24,488,852)</u>	<u>22,402,083</u>	<u>(2,086,769)</u>

The following describes the nature and purpose of each reserve within equity:

Reserves	Description and purpose
Retained earnings	Retained earnings represent cumulative net gains and losses less distributions made.
Share premium	Includes any premium received on issue of share capital
Share capital	Represents the nominal value of equity shares.
Merger reserve	The merger reserve represents the fair value of the consideration given in excess of the nominal value of ordinary shares issued to acquire subsidiaries
Other reserves	Represents negative goodwill on acquisition of subsidiary.

The notes form part of these financial statements

FOS HOLDINGS PLC

**Notes to the Consolidated Financial Statements - continued
for the period ending 30 June 2021**

13. CURRENT LIABILITIES

	Group		Company	
	Period £	2020 £	Period £	2020 £
Liabilities falling due within over one year				
Trade creditors	118,679	109,155	118,679	109,155
Social security and other taxes	-	-	-	-
Bank loans	5,042	4,506	5,042	4,506
Other creditors	-	-	-	2
Accruals and deferred income	<u>127,074</u>	<u>88,034</u>	<u>127,074</u>	<u>88,034</u>
	<u>250,795</u>	201,695	<u>250,795</u>	<u>201,697</u>

14. NON-CURRENT LIABILITIES

	Group		Company	
	Period £	2020 £	Period £	2020 £
Liabilities falling due in more than one year				
Bank loans	47,283	39,245	47,283	39,245
Other loans	-	<u>28,000</u>	-	<u>28,000</u>
	<u>47,283</u>	<u>67,254</u>	<u>47,283</u>	<u>67,254</u>

15. FINANCIAL INSTRUMENTS

	Group		Company	
	Period £	2020 £	Period £	2020 £
Financial assets				
Cash and cash equivalents	5,042	3,573	5,042	3,573
Financial assets measured at amortised cost	<u>14,526</u>	<u>12,261</u>	<u>14,526</u>	<u>12,261</u>
	<u>19,568</u>	15,834	<u>19,568</u>	15,834

	Group		Company	
	Period £	2020 £	Period £	2020 £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>298,088</u>	<u>268,940</u>	<u>298,088</u>	<u>268,942</u>
	<u>298,088</u>	<u>268,940</u>	<u>298,088</u>	<u>268,942</u>

Cash and cash equivalents comprise cash in hand and deposits held.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accrued expenses.

16. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

The notes form part of these financial statements

FOS HOLDINGS PLC

**Consolidated Income Statement Summaries
for the period ending 30 June 2021**

	Period £	31.12.20 £
COST OF SALES		
Film production	-	(12,847)
Commission	-	-
	<u>-</u>	<u>(12,847)</u>
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	1,500	4,000
Insurance	-	-
Administrative expenses		
Directors' salaries	-	(11,611)
Directors' social security	-	-
Post and stationery	-	-
Travel and subsistence	1,352	1,809
Motor expenses	487	128
Sponsorship	-	-
Office costs	256	-
Bookkeeping costs	1,200	-
Penalty	-	-
Sundry expenses	56	31
Bookkeeping	-	-
Accountancy	7,500	25,000
Subscriptions	-	-
Consultancy fees	12,867	7,000
Legal and professional fees	-	(59,206)
Auditors' remuneration	-	20,000
Foreign exchange losses	-	-
Advertising and PR	-	-
Marketing	-	-
Entertainment	-	-
Finance costs		
Bank charges	<u>196</u>	<u>100</u>
	<u>(25,414)</u>	<u>(12,749)</u>
OTHER OPERATING EXPENSES		
Impairment of Goodwill	-	-
Impairment of Investments	-	<u>21,610,000</u>
	=	<u>21,610,000</u>

This page does not form part of the statutory financial statements