

# Financial Statements

## Axial Medical Printing Limited

For the year ended 30 September 2023

## Company Information

Directors	Mark Alvarez Daniel Alexander Crawford Hugo Ferreira William Roger Johnston Chris Rumana Gilad Lustig
Registered number	NI618621
Registered office	17a Ormeau Avenue Belfast Co. Antrim BT2 8HD Northern Ireland
Independent auditor	Grant Thornton (NI) J.J.P Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH
Bankers	HSBC Innovation Bank Limited Alphabeta 14-18 Finsbury Square London EC2A 1BR  Silicon Valley Bank 3003 Taman Drive Santa Clara CA 95054  Danske Bank Branch Business P.O Box 183 Donegall Square West Belfast BT1 6JS

## Company Information (continued)

Solicitors

Eversheds Sutherland (US) LLP  
12255 El Camino Real  
Suite 100  
San Diego  
CA 92130

A&L Goodbody LLP  
42-46 Fountain St  
Belfast  
BT1 5EB

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# Independent auditor's report to the members of Axial Medical Printing Limited

## Opinion

We have audited the financial statements of Axial Medical Printing Limited (the 'parent Company') and its subsidiaries (the 'Group'), which comprise the Consolidated and Company Statements of comprehensive income, Balance sheets and Statements of changes in equity for the financial year ended 30 September 2023, and the related 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 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, Axial Medical Printing Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Group and the Company as at 30 September 2023 and of the Group financial performance for the financial year then ended; 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

In forming our opinion, which is not modified, we draw attention to the disclosures made in the Directors' Report and Note 2.3 of the financial statements concerning the company's ability to continue as a going concern. As discussed more fully in the Directors' Report and Note 2.3 to the accounts, the company is in the process of agreeing further funding from existing shareholders and external lenders. As the funding and credit facility has not been finalised at the date of signing these financial statements, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. Our evaluation of the validity of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included consideration of the relationship and intention with the external lenders and the shareholders, including the reasonable expectation that an agreement will be reached. The financial statements do not include any adjustments that might be necessary should the company be unable to continue in existence. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting is appropriate. Our responsibilities, and the responsibilities of the directors in respect of going concern, are described in the relevant sections of this report.

## Independent auditor's report to the members of Axial Medical Printing Limited (continued)

### Other matter

The year ended 30 September 2023 was the first year that Grant Thornton were appointed as external auditors. This is the first year the group has required an audit.

### Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report and Strategic report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, 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 audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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; or

## Independent auditor's report to the members of Axial Medical Printing Limited (continued)

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is responsible for assessing the Group and 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 management either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

### Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data Privacy law, Employment Law, Environmental Regulations, and Health and Safety laws, 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 Companies Act 2006 and UK tax legislation. 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 posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

## Independent auditor's report to the members of Axial Medical Printing Limited (continued)

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of of the board of director's meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- challenging assumptions and judgements made by management in their significant accounting estimates, including the going concern assumption and capitalisation of intangible fixed assets.
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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.

Louise Kelly (Senior statutory auditor)

for and on behalf of  
Grant Thornton (NI) LLP  
Chartered Accountants &  
Statutory Auditors  
Belfast  
Date: 27 March 2024

## Consolidated statement of comprehensive income

For the year ended 30 September 2023

	Note	2023 £	2022 £
Turnover		473,789	276,196
Cost of sales		<u>(153,057)</u>	<u>(89,335)</u>
<b>Gross profit</b>		<b>320,732</b>	<b>186,861</b>
Administrative expenses		(5,117,229)	(2,026,585)
Other operating income		<u>121,538</u>	<u>172,270</u>
<b>Operating loss</b>		<b>(4,674,959)</b>	<b>(1,667,454)</b>
Interest payable and similar expenses		<u>(7,123)</u>	<u>(83,762)</u>
<b>Loss before tax</b>		<b>(4,682,082)</b>	<b>(1,751,216)</b>
Tax on loss		<u>350,763</u>	<u>(156,264)</u>
<b>Loss for the financial year</b>		<b><u>(4,331,319)</u></b>	<b><u>(1,907,480)</u></b>
<b>Loss for the year attributable to:</b>			
Owners of the parent company		<u>4,331,319</u>	<u>1,907,480</u>
		<b><u>4,331,319</u></b>	<b><u>1,907,480</u></b>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 10 to 25 form part of these financial statements.

## Consolidated balance sheet

As at 30 September 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	5	6,332,523	4,989,748
Tangible assets	6	1,187,713	1,439,867
		<u>7,520,236</u>	<u>6,429,615</u>
<b>Current assets</b>			
Stocks	7	56,522	-
Debtors	8	1,542,999	1,527,689
Cash at bank and in hand	9	943,135	6,378,438
		<u>2,542,656</u>	<u>7,906,127</u>
Creditors: amounts falling due within one year	10	(465,032)	(403,139)
<b>Net current assets</b>		<u>2,077,624</u>	<u>7,502,988</u>
<b>Total assets less current liabilities</b>		<u>9,597,860</u>	<u>13,932,603</u>
Creditors: amounts falling due after more than one year	11	(9,415)	(12,839)
<b>Provisions for liabilities</b>		<u>(9,415)</u>	<u>(12,839)</u>
<b>Net assets</b>		<u><u>9,588,445</u></u>	<u><u>13,919,764</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	8	8
Share premium account	14	16,411,914	16,411,914
Profit and loss account	14	(6,823,477)	(2,492,158)
<b>Equity attributable to owners of the parent Company</b>		<u><u>9,588,445</u></u>	<u><u>13,919,764</u></u>

**Axial Medical Printing Limited**

Registered number:NI618621

## Consolidated balance sheet (continued)

As at 30 September 2023

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2024.

.....  
**Daniel Alexander Crawford**

Director

The notes on pages 10 to 25 form part of these financial statements.

## Company balance sheet

As at 30 September 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	5	6,332,523	4,989,748
Tangible assets	6	1,187,713	1,439,867
		<u>7,520,236</u>	<u>6,429,615</u>
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Stocks	7	56,522	-
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		<u>2,542,656</u>	<u>7,906,127</u>
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Creditors: amounts falling due after more than one year	11	(9,415)	(12,839)
<b>Net assets</b>		<u>9,588,445</u>	<u>13,919,764</u>
<b>Capital and reserves</b>			
Called up share capital	13	8	8
Share premium account	14	16,411,914	16,411,914
Profit and loss account carried forward		(6,823,477)	(2,492,158)
		<u>9,588,445</u>	<u>13,919,764</u>

**Axial Medical Printing Limited**

Registered number:NI618621

## Company balance sheet (continued)

As at 30 September 2023

The loss for the year of the parent company was £4,331,319.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2024.

.....  
**Daniel Alexander Crawford**

Director

The notes on pages 10 to 25 form part of these financial statements.

# Notes to the financial statements

**For the year ended 30 September 2023**

1. General information

Axial Medical Printing Limited is a company limited by shares incorporated and registered in Northern Ireland. The registered number of the company is NI618621. The registered office of the company is 1/a Ormeau Avenue, Belfast, Co.Antrim, B12 8HD, Northern Ireland which is also the principal place of business of the company. The principal activity of the company is research and experimental development on natural sciences and engineering. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# Notes to the financial statements

**For the year ended 30 September 2023**

2. Accounting policies (continued)

2.3 Going concern

The group made a loss of £4,331,319 (2022: loss of £1,907,480) during the year and has net assets of £9,588,445 (2022: £13,919,764) at the year end. The Group continues to invest heavily in research and development on their specialised products. The group received an additional \$2m of funding from Stratsys in October 2023 and is in the process of completing a further funding round from existing shareholders. The Directors have prepared cashflow projections which includes sensitivity based on various levels of activity and growth. The Directors are confident that the next funding round will be successful and provide sufficient cash for the business to continue as a going concern. Furthermore, they are at the latter stages of agreeing a credit facility from external lenders which may be utilised if there are any delays in securing additional funding.

As the funding and credit facility has not been finalised at the date of signing the financial statements, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Management's evaluation of the company's ability to continue to adopt the going concern basis of accounting includes consideration of the relationship and intention with the external lenders and shareholders, including the reasonable expectation that an agreement will be reached. Based on these developments, the Directors have prepared the financial statements on a going concern basis.

2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

# Notes to the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

## Notes to the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

## Notes to the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

# Notes to the financial statements

**For the year ended 30 September 2023**

2. Accounting policies (continued)

2.14 Intangible assets

Purchased intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The Company recognises internally generated intangible assets to the extent that they are both identifiable and can be measured reliably. Recognition only occurs when the Company is satisfied that the project is feasible such that the asset will be available for use or sale; that the Company has the intention to complete the intangible asset and either use or sell it; that the Company has the ability to either use or sell the intangible asset; that it is probable that the intangible asset will generate future economic benefits; and that the Company has available sufficient resources to complete the development of the intangible asset.

Intangible assets are written off in equal annual instalments over their useful economic life. Amortisation is included within administrative expenses. Amortisation is provided as follows:

Development expenditure - over 10 years on a straight-line basis

Computer software -over 10 years on a straight-line basis

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%
Office equipment	-	20%
Computer equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## Notes to the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

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

2.18 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.

2.19 Creditors

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

2.20 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 in case of an out-right short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

## Notes to the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

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.

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 of the recoverable amount, 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom 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:

*Provisions for doubtful debt*

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

*Capitalisation of internally developed software*

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

*Useful lives of depreciable assets*

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of

changes in asset lives on an overall basis, as asset lives are individually determined, and there are a significant number of asset lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

4. Employees

The average monthly number of employees, including directors, during the year was 55 (2022 - 49).

## Notes to the financial statements

For the year ended 30 September 2023

5. Intangible assets

**Group**

	Development expenditure £	Website and Applications £	Total £
<b>Cost</b>			
At 1 October 2022	5,396,894	5,600	5,402,494
Additions - internal	1,780,734	101,730	1,882,464
At 30 September 2023	<u>7,177,628</u>	<u>107,330</u>	<u>7,284,958</u>
<b>Amortisation</b>			
At 1 October 2022	409,525	3,221	412,746
Charge for the year on owned assets	538,161	1,528	539,689
At 30 September 2023	<u>947,686</u>	<u>4,749</u>	<u>952,435</u>
<b>Net book value</b>			
At 30 September 2023	<u><u>6,229,942</u></u>	<u><u>102,581</u></u>	<u><u>6,332,523</u></u>
At 30 September 2022	<u><u>4,987,369</u></u>	<u><u>2,379</u></u>	<u><u>4,989,748</u></u>

# Notes to the financial statements

For the year ended 30 September 2023

5. Intangible assets (continued)

**Company**

	Development expenditure £	Website and Applications £	Total £
<b>Cost</b>			
At 1 October 2022	5,396,894	5,600	5,402,494
Additions - internal	1,780,734	101,730	1,882,464
At 30 September 2023	<u>7,177,628</u>	<u>107,330</u>	<u>7,284,958</u>
<b>Amortisation</b>			
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Charge for the year	538,161	1,528	539,689
At 30 September 2023	<u>947,686</u>	<u>4,749</u>	<u>952,435</u>
<b>Net book value</b>			
At 30 September 2023	<u>6,229,942</u>	<u>102,581</u>	<u>6,332,523</u>
At 30 September 2022	<u>4,987,369</u>	<u>2,379</u>	<u>4,989,748</u>

## Notes to the financial statements

For the year ended 30 September 2023

## 6. Tangible fixed assets

## Group

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2022	15,857	1,434,775	14,475	126,373	1,591,480
Additions	32,162	-	11,258	32,427	75,847
At 30 September 2023	<u>48,019</u>	<u>1,434,775</u>	<u>25,733</u>	<u>158,800</u>	<u>1,667,327</u>
<b>Depreciation</b>					
At 1 October 2022	6,232	54,806	11,515	79,060	151,613
Charge for the year on owned assets	4,829	301,874	2,883	18,415	328,001
At 30 September 2023	<u>11,061</u>	<u>356,680</u>	<u>14,398</u>	<u>97,475</u>	<u>479,614</u>
<b>Net book value</b>					
At 30 September 2023	<u><u>36,958</u></u>	<u><u>1,078,095</u></u>	<u><u>11,335</u></u>	<u><u>61,325</u></u>	<u><u>1,187,713</u></u>
At 30 September 2022	<u><u>9,625</u></u>	<u><u>1,379,969</u></u>	<u><u>2,960</u></u>	<u><u>47,313</u></u>	<u><u>1,439,867</u></u>

## Notes to the financial statements

For the year ended 30 September 2023

6. Tangible fixed assets (continued)

## Company

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2022	15,857	1,434,775	14,475	126,373	1,591,480
Additions	32,162	-	11,258	32,427	75,847
At 30 September 2023	<u>48,019</u>	<u>1,434,775</u>	<u>25,733</u>	<u>158,800</u>	<u>1,667,327</u>
<b>Depreciation</b>					
At 1 October 2022	6,232	54,806	11,515	79,060	151,613
Charge for the year on owned assets	4,829	301,874	2,883	18,415	328,001
At 30 September 2023	<u>11,061</u>	<u>356,680</u>	<u>14,398</u>	<u>97,475</u>	<u>479,614</u>
<b>Net book value</b>					
At 30 September 2023	<u><u>36,958</u></u>	<u><u>1,078,095</u></u>	<u><u>11,335</u></u>	<u><u>61,325</u></u>	<u><u>1,187,713</u></u>
At 30 September 2022	<u><u>9,625</u></u>	<u><u>1,379,969</u></u>	<u><u>2,960</u></u>	<u><u>47,313</u></u>	<u><u>1,439,867</u></u>

## Notes to the financial statements

For the year ended 30 September 2023

7. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Raw materials and consumables	56,522	-	56,522	-
	<u>56,522</u>	<u>-</u>	<u>56,522</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

8. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Due after more than one year</b>				
Deferred tax asset	-	236,633	-	236,633
<b>Due within one year</b>				
Trade debtors	212,001	296,006	212,001	296,006
Other debtors	162,073	413,521	162,073	413,521
Tax recoverable	1,168,925	581,529	1,168,925	581,529
	<u>1,542,999</u>	<u>1,527,689</u>	<u>1,542,999</u>	<u>1,527,689</u>

9. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	<u>943,135</u>	<u>6,378,438</u>	<u>943,135</u>	<u>6,378,438</u>

10. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	136,833	228,973	136,833	228,973
Other taxation and social security	84,141	106,970	84,141	106,970
Other creditors	38,585	14,109	38,585	14,109
Accruals and deferred income	205,473	53,087	205,473	53,087
	<u>465,032</u>	<u>403,139</u>	<u>465,032</u>	<u>403,139</u>

# Notes to the financial statements

For the year ended 30 September 2023

11. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Government grants received	9,415	12,839	9,415	12,839
	<u>9,415</u>	<u>12,839</u>	<u>9,415</u>	<u>12,839</u>

12. Deferred taxation

## Group

	2023 £
At beginning of year	236,633
Charged to profit or loss	(236,633)
<b>At end of year</b>	<b>-</b>

## Company

	2023 £
At beginning of year	236,633
Charged to profit or loss	(236,633)
<b>At end of year</b>	<b>-</b>

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Fixed asset timing differences	1,835,610	-	1,835,610	-
Tax losses carried forward	-	236,633	-	236,633
Losses and other deductions	(1,822,892)	-	(1,822,892)	-
Short term timing differences	(12,718)	-	(12,718)	-
	<u>-</u>	<u>236,633</u>	<u>-</u>	<u>236,633</u>

# Notes to the financial statements

For the year ended 30 September 2023

13. Share capital

	2023	2022
	£	£
<b>Allotted, called up and fully paid</b>		
16,701 (2022 - 16,701) Ordinary Shares shares of 0.01p- each	2	2
14,887 (2022 - 14,887) Preferred Ordinary Shares shares of 0.01p - each	2	2
12,641 (2022 - 12,641) Series A Shares shares of 0.01p- each	1	1
31,449 (2022 - 31,449) Series B Shares shares of 0.01p- each	3	3
	<u>8</u>	<u>8</u>

14. Reserves

**Share premium account**

The amount carried forward is the premium that arose from the issue of shares, including amounts arising from the conversion of convertible loan instruments.

15. Commitments under operating leases

At 30 September 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Not later than 1 year	87,487	87,487	87,487	87,487
Later than 1 year and not later than 5 years	87,415	196,780	87,487	196,780
	<u>174,902</u>	<u>284,267</u>	<u>174,974</u>	<u>284,267</u>

16. Related party transactions

The company has availed of the exemption under FRS102 section 33 which does not require disclosure of transactions entered into between any subsidiary undertaking which is wholly owned by a member of that group.

17. Post balance sheet events

There have been no significant events affecting the company since the financial period-end.

18. Controlling Party

Axial Medical Limited is the ultimate controlling party for Axial Medical Printing Inc, a company incorporated in the United States.

## Notes to the financial statements

**For the year ended 30 September 2023**

19. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2023 was unqualified.

The audit report was signed on 27 March 2024 by Louise Kelly (Senior statutory auditor) on behalf of Grant Thornton (NI) LLP.

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.