ANNUAL REPORT

YEAR ENDED APRIL 2022

DX International plc

CONTENTS

CHAIRMAN'S REPORT

The Board announces its results for the year ending 30th April 2022.

- The company has had a challenging year and in the period turnover, although generally robust, decreased by 8% to £3,285,050 (2021: £3,605,766).

The principal contributing factors were a one-off EU order which, as anticipated, was not repeated in this year and the NHS restructuring the primary care system. The current 107 CCGs (Clinical Commissioning Groups) are being merged into 42 ICBs (Integrated Care Boards) which range from one to nine CCGs per ICB. During this change process, as the ICBs have rationalised their CCG groups and Digital Tools being used, some customers were lost. Equally an opportunity exists to gain new clients.

As a result of the reduced turnover the Company produced an Operating Loss of £57,776 (2021: a profit of £288,016). However, the Company managed to produce a Profit after tax although this was reduced to £222,250 compared to £496,913 in the previous year, a decrease of 45%.

The drop in turnover has already been reduced by £60,000 p.a. after the period end as some clients have renewed their current agreements at an increased annual license fee.

- Cash at bank at the period end was £452,329 (2021: £792,318)

The Covid-19 pandemic continues to place a huge strain on the NHS creating a massive backlog of usual care treatment. While the Covid-19 situation, as far as hospital admissions are concerned, has significantly eased, the number of recognised cases since March 2022 is at higher levels again, now declining, bringing new challenges for the NHS. Coupled with the restructuring of 106 CCGs (Clinical Commissioning Groups) into 42 ICBs (Integrated care Boards) is the organising of 7,000 GP practices into 1,250 PCNs (Primary care Networks). For NHS digital solution providers such as ourselves, the current state of disruption in our main market presents significant challenges in gaining access to procurement decision-makers.

On the positive side, both Covid and the ensuing health demand aftermath has spotlighted the importance of using digital and other technologies to drive greater health care delivery efficiency and effectiveness. We believe that after many years of lagging behind other industry sectors regarding the adopting of digital technologies, health care systems have finally come alive to the potential benefits digital solutions offerings to both providers and patients.

During the past 24-months, we have continued to significantly invest in development and innovation of our existing and new Digital AI solutions which strongly align with the NHS and global healthcare providers strategy of Digital First. Our development and marketing programs feature two key product lines:

- We are continuing with the improvement of our existing DXS Point of Care solution which will take this product to the cloud and ensure that it offers our existing and new customers super digital functionality in line with their needs. An exciting development is the conclusion of an agreement with an established AI middleware provider, a spinout company from Oxford University, University College London and Cancer Research UK to help develop the Company's AI offerings. Not only has this negated the need for DXS to build a complex AI layer within our new Point of Care Cloud Solution, this AI solution takes our future offer to a new level. This highly sophisticated AI-based platform and applications can be used in numerous clinical environments to bring significant clinical compliance benefits and ROI.
- With regards to the therapeutic management of long-term conditions, where a significant percent of healthcare costs are incurred, we continue with our sales and marketing efforts to GP Practices, Primary Care Networks and the newly formed ICB's. Although the uptake is frustratingly slow, we are at varying stages of progress of getting our hypertension solution trials active across nine ICB's (Integrated Care Boards) representing almost thirteen million registered patients. In parallel to this direct approach, we are actively engaged with various AHSN's (Academic Health Science Networks) to help provide endorsement of the potential benefits of ExpertCare to the UK healthcare sector. Hypertension, which affects 16 million people in the UK, has been our first long term condition to be added to the engine which aligns with the NHS priority of better managing cardiovascular disease, particularly when, according to the Royal College of GPs, there is a backlog of two million untreated hypertensive patients – an iceberg under the water.

During the past year, we have increased our development and sales and marketing efforts into our digitally systemised AI solutions and we are on track to achieve the aggressive growth in the UK healthcare market that we have been planning and preparing for.

Yet, while this market penetration has been slower than expected, the past two and a half years have changed the healthcare landscape for ever. It has changed the mindset of clinicians to the reality and potential benefits of collaborating remotely with patients. Now it is up to digital healthcare companies like DXS with world beating AI solutions to provide healthcare workers with the tools they so desperately need. Tools that will save lives, optimise clinician resource, and dramatically cut soaring healthcare costs.

Imagine the NHS, in only England, annually saving £60 million on clinician resource alone and £90 million on reduced heart attacks and strokes! And this is only for optimised management of hypertension. According to Public Health England this is possible, and we have the tools to empower this achievement. Consider the additional impact by adding Diabetes, Atrial Fibrillation, Cholesterol, COPD and Asthma to name a few. Therefore, it is imperative that we continue with an accelerated investment program into focused development of additional long-term conditions and an aggressive sales and marketing campaign. With solutions, such as ours, with high barriers to entry but easily scalable to international territories the opportunity for significant growth is clear.

Our existing solution DXS Point of Care, coupled with new Aios cloud-based AI capability and our new long term condition medicine management solution ExpertCare place us firmly in the health care AI domain and provides us with real world capabilities and market appeal.

Having accepted that the past thirty months have been challenging, we remain super focused on growing our revenue and profits and believe that we are now well positioned to take our business to new heights with a range of advanced and highly competitive clinical decision support solutions that can deliver measurable ROI supported by an exceptional team of people, a winning formula.

We are slowly gaining ground and remain extremely positive about the real benefits our solutions, both existing and new, can provide to healthcare providers locally and internationally.

We thank all our shareholders for their continued support.

Yours sincerely,

Bob Sutcliffe

Bob Sutcliffe

Chairman

DIRECTORS

DR ROBERT SUTCLIFFE (73) – NON-EXECUTIVE CHAIRMAN

Bob Sutcliffe is a Chartered Accountant who has strong financial and leadership skills, developed in both public and private sectors. His former roles have included Finance Director, Commercial Director, Managing Director, Chief Executive and Chairman. Having run successful businesses, Bob has specialised in change management processes and company turnarounds.

DAVID IMMELMAN (66) – FOUNDER & CEO

David, together with the DXS team, remains focused on growing DXS' revenue and profitability by ensuring that the business continually strives to improve its competitive edge through establishing close working relationships with customers, understanding their needs, and responding to the market with exceptional solutions.

STEVEN BAUER (50) – COO

As a holder of the CIM Professional Postgraduate Diploma in Marketing and Pharma Mini-MBA, Steven has gained invaluable experience in the healthcare sector. Using this knowledge and skill, he leads the DXS operations in tackling the intricacies that are prevalent in this sector. Steven has continued to manage our core DXS Point of Care business operations while simultaneously managing the development of the new cloud based Aios solution.

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REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30 April 2022. The Chairman's statement which is included in this report includes a review of the achievements of the Company, the trading performance, financial position, and trading prospects.

DIRECTORS

The directors for the year were:

- Bob Sutcliffe – Chairman
- David Immelman – CEO
- Steven Bauer – COO

PRINCIPAL ACTIVITIES

The group's principal activities during the period were the development and distribution of clinical decision support to General Practitioners, Nurses, and Retail Pharmacies in the United Kingdom. The commercial side included the licensing of DXS to various Clinical Commissioning Groups (CCGs) and the sale of e-detailing opportunities to the Pharmaceutical Industry.

The group continues to invest in research and development both locally and internationally and during this financial year has invested £1,284,961 into R&D for the introduction, continuation, and completion of a number of new DXS solutions. These are targeted at providing clinicians and patients with solutions to long term conditions. These products are aligned with the NHS strategy of "Connected Care" and the hypertension solution, ExpertCare, and the specialised template and toolkit solution, CompleteCare, while delayed due to COVID-19, are market ready.

During the period we repaid £164,512 on bank and third-party loans.

FINANCIAL INSTRUMENTS

The Directors believe that there is no material risk arising in respect of interest rates on loans, credit, and liquidity.

DIVIDEND

The Directors do not recommend a dividend.

DIRECTORS' RESPONSIBILITIES

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

- Select suitable accounting policies and apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether UK accounting principles have been followed subject to any material departures disclosed and explained in the financial statements and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in the business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' RESPONSIBILITIES TO AUDITORS

The directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

Approved by the board and signed on its behalf by:

DA Immelman

Director

8 August 2022

The notes on pages 27 to 44 form part of these accounts

STRATEGIC REPORT

SECTION 172 REPORT

Section 172 of the Companies Act requires that a director of the Company is managing in the best interests of all stakeholders – Customers, Employees and Shareholders.

In the spirit of above, the Directors of DXS International plc, strive to maintain a reputation for high but fair standards in the best interest of its stakeholders.

Our primary focus is on our customers and here we regard our relationships and channels of communications of paramount importance. We operate in a sensitive environment, healthcare, and as such ensure that we meet all the standards required by our customers, such as Information Governance and Clinical Safety. In addition, we comply with ISO standards which assures an overarching good governance approach to all operations.

The Board is focused on delivering value for Shareholders underpinned by motivated Employees delivering above average delivery of solutions and service to Customers. In achieving the foregoing, the Company focuses on continued innovation via a policy of research and development funded through organic investment plus capital raises, as agreed at shareholder meetings, noting it has not as a Company raised any external equity financing in the year to April 2022, and supported by clearly communicated vision and direction.

In our communication to Shareholders the Board is clear in terms of its short, medium, and long-term strategy and maintains an open-door approach to Shareholders seeking additional clarity on any issue. The Board release notices on a regular basis informing Shareholders of developments in areas of business progress, non-confidential strategic decisions, and any change to company policy. Risks and opportunities are set out in this strategic review.

The Group is small and while clear management structures are in place all Employees, if required, have direct access to the Executive Directors on a daily basis and, if necessary, to the Chairman. The group retains HR services to ensure the fair and equitable treatment of Employees. The Company promotes a policy of promoting from within supported by training and mentorship. We encourage diverse thinking and recognise strengths and contribution to the business.

REVIEW OF THE GROUPS BUSINESS

The Group Profit after Tax is £222,250 (2021 - £496,913). The Operating (loss)/Profit amounts to (£57,776) (2021 £288,016). There was a reduction in amortisation of £320,394 to £660,289. The Group has a credit of £320,985 for UK Corporation Tax (2021 credit- £243,240) for the year.

The profit after tax for the year decreased by £274,663 after a significant investment into R&D of £1,284,961. Considering the overall impact of COVID-19, revenue remained robust with a decrease of 8% in revenue. Of this 3% was due to a one-off EU sale in the previous year. As an accredited NHS solutions provider, DXS has well-established business continuity and disaster recovery protocols in place. These ensured business continuity throughout the COVID-19 pandemic and at this point, staff, both in the United Kingdom and South Africa are returning to the office albeit in a controlled way and the Company remains fully operational.

The expected revenue increase due to increased pricing as a result of GPITF accreditation has not materialised as expected due to operational NHS delays. These are now becoming effective after April 2022 and as a result £60,000 annual recurring revenue has been added. This is expected to continue over the coming months.

We have continued the development of our existing DXS Point of Care solution into our new Aios cloud-based system. Coupled with this has been the recent conclusion of a JV agreement with a leading AI middleware provider, enabling us to include this Oxford born AI module with Aios.

We have continued to use the delays in commercialisation caused by COVID to add certain enhancements to our ExpertCare hypertension solution which we believe will increase the attractiveness of our offering and pricing in our favour as the market slowly reopens for business as usual.

Our strategy remains aligned with both the new NHS Long Term Plan and opportunities abroad.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the Company in the UK is that the NHS dramatically changes its plans or cuts its budgets. This seems unlikely, particularly with the current pandemic highlighting the need for clinicians to operate using digital technologies. We are also confident that our new Aios and ExpertCare solutions will play a significant role in assisting already overloaded clinicians to manage patient backlogs as the situation begins to normalise.

Failure to achieve predicted quantities of DXS contracts, and slower development of additional revenue streams may result in revenues growing more slowly than anticipated. These may be mitigated due to the launch of market ready new products once the current situation normalises.

While the NHS begins to normalise, even though current COVID levels are at their highest ever, we are beginning to engage on a commercial level – even if slowly.

Our plans for expansion outside of the UK mitigate this risk. Here we continue with our research and development plans to take our new Expert Hypertension solution into international markets where improved management of Hypertension and other long-term conditions are a top priority. In this regard, we are in discussion with both an EU and South African healthcare company to white label ExpertCare for these territories.

ANALYSIS OF BUSINESS DURING YEAR ENDING APRIL 2022

Revenue was 16% below market expectations, decreasing by £320,716 while Operating Profit decreased by £345,792. Decreased revenue was attributable to the one off EU sale of £110,000 in the previous year and a loss of two clients due to NHS restructuring.

FINANCIAL METRICS

- Group Revenue of £3,285,050 has decreased by 8%. Definition: Total Group sales including distribution of clinical decision support to General Practitioners and the licensing of DXS to CCGs and healthcare publishers. Group Revenue includes the sale of medicine education slots to the pharmaceutical industry.
- Underlying Group Profit after Tax was £222,250, a 55% decrease. This was mainly due to a reduction of turnover and increased costs. Definition: Underlying profit provides information on the underlying performance of the business.
- Depreciation and amortisation of deferred Research and Development expenditure and Goodwill in 2022 was £660,280 and in 2021 was £980,683.
- Earnings Per Share 2022 0.5p, 2021 1.0p. Definition: Earnings per share is the underlying profit divided by the weighted average number of ordinary shares in issue.
- ROE 2022 5 %, 2021 12%. Definition: Return on Equity (ROE) is the ratio of net profit of a company to its shareholders funds. It measures the profitability of a company by expressing its net profit as a percentage of its shareholders funds which include share capital, share premium, provision for costs of share option awards and retained earnings.

CORPORATE GOVERNANCE

We are committed to establish, maintain, and continually improve an Integrated Management System (IMS) that conforms to ISO 22301:2012, ISO 20000-1:2018 and ISO 27001:2013 requirements.

To achieve this objective, we commit to:

- continual improvement in our performance and services to our stakeholders.
- Identify, assess, reduce, and eliminate hazards and risks pertaining to our business.
- Setting risk-based objectives and targets to meet applicable statutory, business, information security and service level obligations.

- Comply with mutually agreed quality and service level requirements of our customers
- Develop our people and provide sufficient resources to meet our objectives and targets.

We communicate the IMS Policy to all personnel working for or on behalf of DXS to ensure that they are made aware of their individual IMS obligations.

Approved by the board and signed on its behalf by:

D Immelman

Director

8 August 2022

The notes on pages 27 to 44 form part of these accounts

OPINION

We have audited the financial statements of DXS International Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 April 2022, which comprise:

- the Group income statement for the year ended 30 April 2022;
- the Group statement of other comprehensive income for the year ended 30 April 2022;
- the Group and Parent Company statements of financial position as at 30 April 2022;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group statements of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements 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 Practise).

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 April 2022 and of the Group's profit for the year then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practise;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern. In performing our evaluation, we performed audit procedure as follows:

- Discussion of the impact of COVID-19 to date with management;

- Reviewing the mathematical accuracy of the model;
- Agreeing the opening cash position;
- Comparing 2022 forecast obtained in prior year to 2022 actual results;
- Considering the impact on the forecast of the release of new products;
- Considering the new loan obtained and forward compliance with loan covenants;
- Assessed the reasonableness of management's assessment for these forecasts;
- Reviewing mitigating actions that could be taken by management to conserve cash; and
- Considering the appropriateness of the disclosure made in respect of going concern and ensuring it is consistent with our knowledge of the business, the impairment assessment on intangibles and the forecasting exercise.

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

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

OVERVIEW OF OUR AUDIT APPROACH

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £24,000 (2021: £20,000) and parent entity to be £10,000, based on approximately 10% of the Group's loss before tax adjusted for the amount of R&D claim. As the Group is committed to making profits for shareholders, we determine that a profit-based metric was the most appropriate to use for determining materiality.

We use a different level of materiality ('performance materiality') with the highest value to be £16,800 for the group and parent entity to be £7,000, to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £1,200 (2021: £1,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audits of DXS International Plc and its UK subsidiaries were conducted from the UK by the same audit team. No other components were considered to be material and were subject to analytical procedures and the direct verification of selected balances.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We set out below those matters we identified a key audit matter. We also considered going concern to be a key audit matter and our observations on this area are set out in the conclusions relating to going concern section of the audit report. This is not a complete list of all risks identified by our audit

Key audit matter	***How the scope of our audit addressed the key audit matter***
Carrying value of intangible assets (including goodwill) The Group's intangible assets comprise of goodwill and deferred development expenditure. The current year movement arose from the capitalisation of development expenditure and the amortisation charge. We have considered the risk that the intangible assets were impaired. Refer to Note 10 Intangible assets and accounting policies 1(b) and 1(m) of financial statement	We obtained management's assessment of impairment on both goodwill and deferred development expenditures. We reviewed and discussed the key inputs into the assessment with management. We tested the mathematical accuracy of the model and challenged the following key inputs: • the forecast revenue from each completed and on-going projects within deferred development expenditure; • the expected conversion rate of existing patients and potential new clients from each project; • we verified through NHS website for the products which are available to use in the NHS, in particular

	for the ExpertCare product that came online this year; • considering the various projects and opportunities in the pipeline and the likelihood of them happening; and • assessment of potential impairment on existing goodwill arising from business combination. We also performed an additional range of sensitivity analysis to assess whether a reasonably likely change to a key input would result in an impairment change.
Deferred development expenditure During the current year, the Group has capitalised £1,284,961 (2021: £1,529,762) of development costs relating to the costs of developing the Group's product. Deciding what to capitalise can involve judgement about the technical and commercial feasibility of the underlying project and around what costs to capitalises. There is a risk that inappropriate capitalisation could have the effect of presenting a misleading impression of the profitability of the group as a whole. Refer to Note 10 Intangible assets and accounting policies 1(b) and 1(m) of financial statement	We discussed with management the current stage of development of the products, including the results of testing carried out, to consider whether the criteria for capitalisation have been met. This included specific consideration of whether the underlying projects were technically feasible and commercially viable and hence whether it was appropriate to capitalise the costs. We tested on a sample basis to agree details of amounts capitalised to supporting documents.
Revenue recognition The Group enters into a range of client contract types. The revenue recognition policy varies depending on the underlying contract and could result in revenue being recognised at a	We designed procedures to test each different revenue stream and to consider whether the revenue recognition policy applied to the revenue stream was consistent and appropriate.

point in time and over time where certain conditions are met. Refer to Note 2 Turnover and accounting policies 1(h) of financial statement	Our testing in this area included obtaining and review underlying contracts or engagement letter, assessing performance obligations, performing cut-off, agreeing to cash received, recalculating deferred income being appropriately calculated and analytical review on fluctuation year on year.
Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.	

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and South Africa in which the Group has a subsidiary.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be override of controls by management, inappropriate revenue recognition, carrying value of intangibles and going concern. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, reviewing accounting estimates for biases, corroborating revenue recognised by the Group through agreements to supporting documentation, corroborating intangible additions to supporting documentation, journal testing and ensuring accounting policies are appropriate under United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the Parent 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.

M Stallabrass

Matthew Stallabrass (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

EC4M 7JW

8 August 2022

INCOME STATEMENT

Year ended 30 April 2022

	Note	2022 Continuing Operations £	2021 Continuing Operations £
Turnover	2	3,285,050	3,605,766
Cost of sales		(412,904)	(419,757)
Gross Profit		2,872,146	3,186,009
Administration costs		(2,269,633)	(1,917,310)
Depreciation and Amortisation	6	(660,289)	(980,683)
Operating profit	3-5	(57,776)	288,016
Sundry income	7	2,153	9,539
		(55,623)	297,555
Interest payable and similar expenses	8	(43,022)	(43,882)
(Loss)/ Profit on ordinary activities before taxation		(98,645)	253,673
Tax on profit on ordinary activities	9	320,895	243,240
Profit for the year		222,250	496,913
Earnings per share-	21		
- **basic**		0.5p	1.0p
- **fully diluted**		0.5p	1.0p

The notes on pages 27 to 44 form part of these accounts

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 30 April 2022

	2022	2021
	£	£
Profit for the year	222,250	496,913
Other comprehensive income	-	-
Tax on components of other comprehensive income	-	-
Total comprehensive income for the year	222,250	496,913

The notes on pages 27 to 44 form part of these accounts

STATEMENT OF FINANCIAL POSITION

As at 30 April 2022	Notes	Group 2022	Group 2021 £	Company 2022	Company 2021 £
Fixed assets					
Intangible assets	10	5,183,683	4,557,969	-	-
Tangible assets	11	2,645	1,333	-	-
Investments	12	-	-	2,815,831	2,348,899
		5,186,328	4,559,302	2,815,831	2,348,899
Current assets					
Debtors: amounts falling due within one year	13	693,702	850,258	32,762	43,471
Cash at bank and in hand		452,379	792,318	195,800	642,377
		1,146,081	1,642,576	228,562	685,848
Creditors: amounts falling due within one year	14	(889,761)	(951,673)	(50,478)	(38,227)
Net current assets		256,320	690,903	178,084	647,621
Total assets less current liabilities		5,442,648	5,250,205	2,993,915	2,996,520
Creditors					
Amounts falling due after more than one year	15	(331,330)	(449,125)	-	-
Deferred income	16	(746,676)	(653,688)	-	-
		4,364,642	4,147,392	2,993,915	2,996,520
Capital and reserves					
Called up share capital	17	159,246	159,246	159,246	159,246
Share premium		2,671,321	2,676,321	2,671,321	2,676,321
Share option reserve		173,808	173,808	173,808	173,808
Retained earnings		1,360,267	1,138,017	(10,460)	(12,855)
Shareholders' funds		4,364,642	4,147,392	2,993,915	2,996,520

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 company made a profit of £2,395 (2021 £20,475) for the year.

The financial statements were approved and authorised for issue by the Board on 8 August 2022.

Signed on behalf of the board of directors

D Immelman ______________________ Director   S Bauer ______________________ Director

Company registration number: 06311313

The notes on pages 27 to 44 form part of these accounts

Year ended 30 April 2022
Group

	Called- up share capital	Share premium	Share option reserve	Retained earnings	Total
	£	£	£	£	£
At 30 April 2020	159,246	2,676,321	173,808	641,104	3,650,479
Profit for the year	-	-	-	496,913	496,913
At 30 April 2021	159,246	2,676,321	173,808	1,138,017	4,147,392
Expenses incurred during the share issue in February 2020 (see Note below)		(5,000)			(5,000)
Profit for the year				222,250	222,250
At 30 April 2022	159,246	2,671,321	173,808	1,360,267	4,364,642

Company

	Called- up share capital	Share premium	Share option reserve	Retained earnings	Total
	£	£	£	£	£
At 30 April 2020	159,246	2,676,321	173,808	(33,330)	2,976,045
Profit for the year	-	-	-	20,475	20,475
At 30 April 2021	159,246	2,676,321	173,808	(12,855)	2,996,520
Expenses incurred during the share issue in February 2020		(5,000)			(5,000)
Profit for the year	-	-	-	2,395	2,395
At 30 April 2022	159,246	2,671,321	173,808	(10,460)	2,993,915

The cost to the company in 2020 in respect of the share issue was calculated at £11,228 which amount was charged to the share premium in 2020 as it was considered to be a cost of the share issue.

A further expense of £5,000 in respect of the above share issue was received during the current financial year and has also been charged to the Share Premium account.

The notes on pages 27 to 44 form part of these accounts

STATEMENT OF CASH FLOWS

Year ended 30 April 2022

	Note	Group 2022 £	Group 2021 £
Cash flow from operating activities	18	907,862	1,088,409
Interest paid		(43,022)	(43,882)
Sundry income		2,153	9,539
R&D tax credit received		249,895	186,240
Net cash flow from operating activities		1,116,888	1,240,306
Cash flow from investing activities			
Payments to acquire intangible fixed assets		(1,284,961)	(1,529,762)
Payments to acquire tangible fixed assets		(2,354)	(1,707)
		(1,287,315)	(1,531,469)
Financing activities			
Expense in respect of share issue in February 2020		(5,000)	-
Repayment of long term loans		(164,512)	(117,164)
Advance of long term loans		-	190,000
		(169,512)	72,836
Net (decrease) in cash and cash equivalents		(339,939)	(218,327)
Cash and cash equivalents at 1 May 2021		792,318	1,010,645
Cash and cash equivalents at 30 April 2022		452,379	792,318
Cash and cash equivalents consists of:			
Cash at bank and in hand		452,379	792,318

The notes on pages 27 to 44 form part of these accounts

Year ended 30 April 2022
Net Debt Reconciliation

	Current Debt £	Non Current Debt £	Cash £	Total £
At 30 April 2020	(420,131)	(376,289)	1,010,645	214,225
Cash flow	212,992	(72,836)	(218,327)	(78,171)
At 30 April 2021	(207,139)	(449,125)	792,318	136,054
Cash flow	(85,993)	117,795	(339,939)	(308,137)
At 30 April 2022	(293,132)	(331,330)	452,379	(172,083)

The notes on pages 27 to 44 form part of these accounts

1 Summary of significant accounting policies

(a) General information and basis of preparation.

DXS International PLC is a public company limited by shares incorporated in England and Wales. The address of the registered office is given in the company information on Page 1 of these financial statements.

The group's principal activities during the year were the development and distribution of clinical decision support to General Practitioners, Nurses and Retail Pharmacies in the United Kingdom and South Africa. The commercial side includes the licensing of DXS products to various CCG's (Central Commissioning Groups), the sale of e- detailing opportunities to the pharmaceutical industry, the UK Primary Care sector and the licencing of DXS technology to healthcare publishers.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

In the opinion of the Directors the group has sufficient funding to continue as a going concern for at least twelve months from the date of approval of the financial statements.

Should the group be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts and to provide for any further liabilities that might arise. The financial statements do not reflect any such adjustments.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Year ended 30 April 2022

(b) Intangible assets

Intangible assets acquired separately from a business are capitalised at cost.

Research and development expenditure, other than specific identifiable development expenditure, is written off against profits in the year in which it is incurred.

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Developed products are for use within the NHS and other medical institutions within both the UK and internationally. The Group is already a supplier of services to the NHS.

Goodwill arising on business combinations is capitalised, classed as an asset on the balance sheet and amortised over its useful life. The period originally chosen for writing off the current goodwill was 20 years because the directors believed that this was the period of time for the benefit to be received. The Directors reviewed the anticipated future life of the goodwill during 2020. It was considered that the anticipated future life of the goodwill would not exceed 3 years from 1 May 2020.

Accordingly the Net Book Value of the goodwill at 30 April 2020 is being amortised over 3 years.

Intangible assets are amortised over a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

Intangible type	*Useful life*	*Reasons*
Development expenditure	5 years from the date that the specific product is completed and available for distribution.	Period of time for benefit to be received

Provisions is made for any impairment.

Year ended 30 April 2022

(c) Tangible fixed assets

The company capitalises items purchased as Tangible Fixed Assets which have a cost in excess of £550.

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost , less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and equipment 3-4 years straight line

(d) Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administration expenses

(e) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using an effective interest rate method. If an arrangement constitutes a finance transaction it is measured at present value

(f) Grants

Government Grants, including non - monetary grants, shall not be recognised until there is reasonable assurance that :

(a) the entity will comply with the conditions attached to them; and

(b) the grants will be received.

An entity shall recognise grants either based on the performance model or the accrual model. This policy choice shall be applied on a class-by-class basis.

A Grant received during the year has been recorded as other income where receivable

(g) Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Year ended 30 April 2022

(h) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policy adopted for the recognition of turnover is as follows:

Sale of services

Turnover is from the sale of products and services to the pharmaceutical industry and the UK Primary Care sector and is recognised over the term of service contract and is apportioned on a time basis representing the delivery of the service.

(i) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Foreign exchange gains or losses are recognised in the Income Statement.

(j) Employee benefits

When employees have rendered service to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(k) Leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Year ended 30 April 2022

(l) Share option policy

The company recognised as an expense, the fair value of share options granted over their vesting period. The fair value is calculated by applying an option pricing model.

(m) Key judgements and Key accounting estimates

The Key judgements or Key Accounting estimates with a material effect on the carrying value of assets and liabilities are set out below -.

In regards to the going concern of the company, the directors have considered cash flow forecasts for the period to April 2024 which include estimates to be earned from the new Aios and Expertcare A1 solutions which are expected to be revenue generating from late 2022. Also included are increased costs which, if forecasted sales are slower than anticipated, can be reduced accordingly. In addition the forecast include the receipt of new financing for £500,000 which was agreed in July 2022 and is in the process of being drawn down. Given the additional funds received and the market potential for the new products, supported by trial results, the directors consider it appropriate to adopt the going concern basis of accounting and are satisfied that there is no material uncertainty.

The Research and Development tax credit received from HMRC is not a Government grant but a recognition of the costs incurred in respect of the company's research and development and is received through an adjustment to the taxable income of the company

The Group has used a level of judgement around key assumptions on the technical feasibility of products under development, the consideration of the estimated useful lives of these products and a degree of estimate in respect of the capitalised attributable cost including the estimated amount of time charged by employees.

(n) Reduced disclosure

DXS International PLC meets the definition of a qualifying entity under FRS 102 paragraph 1.12(b) and has therefore taken advantage of the disclosure exemption in relation to the parent cash flow statement.

2. Turnover

The analysis of turnover by activity and geographical area is as follows:

	Group 2022 £	Group 2021 £
Sale of services	3,285,050	3,605,766
United Kingdom	3,285,050	3,505,443
Europe	-	100,323

Year ended 30 April 2022

3. (Loss)/Profit before Taxation

Profit before taxation is stated after charging:

	Group 2022 £	Group 2021 £
Auditors remuneration for the audit of the company's		
- parent and consolidated audit	1,000	1,000
- subsidiary companies	29,600	24,400
Other auditors remuneration fees for - audit of overseas subsidiary company	2,744	2,056
Research and development costs	-	510,811
Operating lease payments	82,154	77,434
Loss/ (Gain) on foreign exchange	(2,956)	53,228

During the year, the group spent £1,284,961 on research and development which has been capitalised (note 10)

4. Directors' remuneration

	Group 2022 £	Group 2021 £
Directors' Remuneration	247,357	217,737
Directors' pension contributions in respect of money purchase schemes	2,642	2,627
The number of directors to whom retirement benefits were accruing under money purchase pension schemes.	2	2
Remuneration disclosed above includes the following amounts paid to the highest paid director:		
Remuneration for qualifying services	117,399	102,771
Company pension contributions	1,321	1,314

The Directors have share options as set out in Note 17

Year ended 30 April 2022

5. Staff costs

The average monthly number of employees, including directors, during the year was:

	Group 2022 Number	Group 2021 Number
Sales, Account Managers and marketing	9	10
Clinical	6	6
Deployment	7	5
Administration	14	15
Support	7	7
Quality Assurance	6	7
Content	22	17
Project Management	1	1
	72	68

The aggregate remuneration of the 72 (2021 -68) members of staff was as follows:

	Group 2022 £	Group 2021 £
Wages and salaries	1,564,120	1,373,760
Social security	120,143	118,935
Other pension costs	20,841	22,117
	1,705,104	1,514,812

Of this amount £656,328 (2021- £301,531) was attributable to development expenditure

6. Depreciation and amortisation

	Group 2022 £	Group 2021 £
Depreciation and amortisation of -		
- deferred development expenditure	569,547	904,479
- goodwill	89,700	74,725
- tangible fixed assets	1,042	1,479
	660,289	980,683

Year ended 30 April 2022

7. Sundry income

	2022	2021
	£	£
State assistance in respect of Furloughed staff	2,153	9,539

8. Interest and other finance income and expenses

Interest payable and similar expenses

	Group 2022	Group 2021
	£	£
On bank overdrafts and secured loans	2,971	1,716
On unsecured loans	40,051	42,166
	43,022	43,882

9. Tax

Tax on (loss)/ profit

	Group 2022	Group 2021
	£	£
Current tax	-	-
Research and Development Tax credit		
Current tax	315,000	244,000
Adjustment in respect of previous period	5,895	(760)
Tax on profit	320,895	243,240

Year ended 30 April 2022

9. Tax (continued)

Reconciliation of tax charge
The difference between the tax on profit and the profit before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	Group 2022 £	**Group 2021 £**
(Loss)/ Profit before tax	(98,645)	253,673
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(18,743)	48,198
Expenses not deductible for tax purposes at standard rate of corporation tax	-	24
Depreciation and amortization in excess of capital allowances at standard rate of corporation tax	89,133	148,582
Research and development tax credit in respect of costs incurred in the current year	(385,390)	(434,931)
Research and development tax credit - Prior year	(5,895)	760
Overseas tax		
Utilisation of losses brought forward at standard rate of corporation tax	-	(5,873)
Losses carried forward	-	-
Tax on profit on ordinary activities	(320,895)	(243,240)

Company
No tax was provided by the company as the company's tax losses brought forwarded exceeded the taxable income for the year. The tax loss at 30 April 2022 carried forward is £2,799 (2021 - £5,194).

Year ended 30 April 2022

10. Intangible fixed assets – group

	Goodwill	Deferred development expenditure	Total
	£	£	£
Cost			
At 30 April 2021	570,104	7,820,340	8,390,444
Additions	-	1,284,961	1,284,961
At 30 April 2022	570,104	9,105,301	9,675,405
Depreciation			
At 30 April 2021	436,958	3,395,517	3,832,475
Charge for the year	89,700	569,547	659,247
At 30 April 2022	526,658	3,965,064	4,491,722
Net book value			
30 April 2022	43,446	5,140,237	5,183,683
30 April 2021	133,146	4,424,823	4,557,969

11. Tangible fixed assets – group

Plant and Equipment

	2022	2021
	£	£
Cost		
At 30 April 2021	107,030	105,323
Additions	2,354	1,707
At 30 April 2022	109,384	107,030

Year ended 30 April 2022

11. Tangible fixed assets – group (continued)

	2022	2021
	£	£
Depreciation		
At 30 April 2021	105,697	104,218
Charge for the year	1,042	1,479
At 30 April 2022	106,739	105,697
Net Book Value		
30 April 2022	2,645	1,333

12. Investments

Subsidiary undertakings

	Company 2022	Company 2021
	£	£
Cost		
At 1 May 2021	349,036	349,036
Loans to subsidiaries	2,466,795	1,999,863
At 30 April 2022	2,815,831	2,348,899

The subsidiary companies are -

	Class of Share	Percentage held and Voting rights	Activities
DXS (UK) Limited	Ordinary	100%	Distribution, integration and maintenance of computer software
ExpertRX Limited formerly DXS Services Limited	Ordinary	100%	Dormant
DXS (SA) Proprietary Limited (Incorporated in the Republic of South Africa)	Ordinary	100%	Development, maintenance and distribution of computer software
DXS Solutions Limited	Ordinary	100%	Distribution, integration and maintenance of computer software
DXS Innovation Limited	Ordinary	100%	Dormant
MyVytalcare Limited	Ordinary	100%	Dormant
Expertcare (Global) Limited	Ordinary	100%	Dormant

DXS (UK) Limited and DXS Services Limited were acquired during 2008. The other investments were acquired between 2010 and 2018 except for Expertcare (Global) Limited which was acquired in March 2022

13. Debtors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	319,936	540,774	-	-
Research and development tax credit	315,000	244,000	-	-
Prepayments and accrued income	58,766	65,484	23,193	24,133
VAT	-	-	9,569	19,338
	693,702	850,258	32,762	43,471

Included within trade debtors are balances totalling £319,936 (2021 - £450,451) that are subject to factoring arrangements. The trade debtor balances have been transferred to the counterparty, though the transaction does not qualify for derecognition on the basis that the risk for non payment is retained by the company. The associated liability recognised in creditors amounts to £182,295 (2021 - £49,585).

14. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loan secured over trade debtors	182,295	49,585	-	-
Loans repayable within one year	110,837	157,554	-	-
Trade creditors	137,226	199,597	17,354	28,826
Other tax and Social security	46,874	44,555	-	-
Other creditors	222,181	308,521	-	-
Accruals	190,348	191,861	33,124	9,401
	889,761	951,673	50,478	38,227

Year ended 30 April 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	228,587	257,629	-	-
Bank loan 2	22,080	110,833	-	-
Other creditors	80,663	80,663	-	-
	331,330	449,125	-	-

The terms of the Other loans are -

Loan 1	£48,482	The loan has no fixed date for repayment. Interest at a fixed rate of 12% pa is paid monthly on the loan.
Loan 3	£180,105	The capital amount is repaid monthly at £2,500 per month until 30 September 2023. The remaining balance of the loan will be repaid on 30 September 2023. Interest is paid monthly on the loan at a fixed rate of 12% pa.

The terms of the Bank loans are -

Bank loan 2	£22,080	The CBILS Bank loan bore no interest for the first 12 months of the loan. Interest at an annual rate of 5% pa is payable from 26 June 2021. Repayment of the loan commenced in June 2021 and will be repaid within 24 months of this date. Repayment of 75% of the loan is guaranteed by the Bank of England.

The terms of the Other creditors are -

Advances	£80,663	The advances are unsecured and bear no interest. The advances will not be repaid within 1 year.

The loans are payable as follows -

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Years 1-2	290,998	122,514	-	-
Year 3- 5	40,332	326,611	-	-
	331,330	449,125	-	-

Year ended 30 April 2022

16. Deferred income

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Balance bought forward	653,688	571,904	-	-
Released during year	(653,688)	(571,904)	-	-
Deferred during the year	746,676	653,688	-	-
Balance carried forward	746,676	653,688	-	-

17. Share capital

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Allotted, called up and fully paid 48,256,416 (2021 - 48,256,416) ordinary shares of £0.0033 each	159,246	159,246	159,246	159,246

400,000 ordinary shares of £0.0033 each were issued on 23 September 2019 for an amount of £40,000.
12,675,000 ordinary shares of £0.0033 each were issued on 26 February 2020 for an amount of £1,014,000 before expenses. As part of the fund raising, the company issued 748,500 options which may be exercised over 5 years with an exercise price of 12p per share at a future cost to the company of £11,228.
Mr D Papworth of City and Merchant has a warrant of 296,451 ordinary shares at an exercise price of £0.26 per share. The warrant was granted on 31 July 2008 and is exercisable at his discretion prior to 31 July 2023.
Mrs Lyle (wife of Mr T Lyle of City and Merchant) has a warrant of 296,451 ordinary shares at an exercise price of £0.26 per share. The warrant was granted on 31 July 2008 and is exercisable at her discretion prior to 31 July 2023.

Year ended 30 April 2022

17. Share capital (continued)

Messrs D Immelman & S Bauer were each granted an option on 1 May 2013 to purchase 1,000,000 shares at an exercise price of £0.20 subject to performance targets being achieved. 704,615 of these options were surrendered by each director on 27 June 2014. The remaining 295,385 options are still outstanding.
Mr R K Sutcliffe was granted an option on 27 June 2014 to purchase 900,000 shares at an exercise price of 25p per share.
Messrs D Immelman & S Bauer were each granted an option on 27 June 2014 to purchase 704,615 shares at an exercise price of 20p per share.
Messrs D Immelman & S Bauer were each granted an option on 4 September 2014 to purchase 250,000 shares at an exercise price of 25p per share.
Messrs D Immelman & S Bauer were each granted an option on 4 September 2014 to purchase 250,000 shares at an exercise price of 55p per share.
Hybridan LLP were granted an option on 26 February 2020 over 748,500 shares at an exercise price of 12p per share.
There were 5,241,402 (2021 - 5,241,402) potential dilutive ordinary shares in issue during the period

	2022	2021
	£	£
A summary of the share options above is shown in the table below-		
Outstanding at the beginning of the period	5,241,402	7,318,325
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	(2,076,923)
Outstanding at the end of the period	5,241,402	5,241,402

Year ended 30 April 2022

17. Share capital (continued)

The company recognised as an expense, the fair value of share options granted over their vesting period. The fair value is calculated by applying an option pricing model

Factors affecting the model are: expected volatility, exercise price, weighted average share price, option life and risk free interest rate. In respect of options granted by the company –

- use of the Black Scholes calculator as the option pricing model,
- an average share price over the previous 104 weeks,

The cost to the company in 2020 was calculated at £11,228 which amount has been charged to the share premium in 2020 as it was considered to be a cost of the share issue.

A further cost of £5,000 in respect of the above share issue was received during the current financial year and has been charged to the Share Premium account.

18. Reconciliation of profit to cash flow from operating activities

	Group 2022 £	**Group 2021 £**
Operating (loss)/ profit	(57,776)	288,016
Depreciation of tangible fixed assets	1,042	1,479
Amortisation of intangible fixed assets	659,247	979,204
Decrease/ (Increase) in debtors	227,556	(33,853)
(Decrease) in creditors	(15,195)	(229,031)
(Decrease)/ Increase in deferred income and accruals	92,988	82,594
Cash flow from operating activities	907,862	1,088,409

Year ended 30 April 2022

19. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	452,379	792,318	195,800	642,377
Financial assets that are debt instruments measured at amortised cost	634,936	784,774	9,569	19,338
	1,087,315	1,577,092	205,369	661,715
Financial liabilities				
Financial liabilities measured at amortised cost	1,674,635	1,847,347	50,478	38,227

Financial assets measured at amortised cost comprise trade and other debtors
Financial liabilities measured at amortised cost comprise trade creditors, other creditors, loans, deferred income and accruals.

20. Related party transaction

The company has taken advantage from the requirement not to disclose transactions with group companies on the grounds that consolidated financial statements are prepared
Other transactions during the year were -

	2022 £	2021 £
Consultancy fees paid to service companies owned by a relative of a director	19,700	51,798
Remuneration paid to directors' wives employed by the group	65,536	63,029

Year ended 30 April 2022

21. Profit per share

The Basic profit per share in the period ended 30 April 2022 is calculated by dividing the consolidated profit of £267,250 attributable to equity holders in the company by the weighted average number of ordinary shares in issue during the period of 48,256,416 £0.0033 shares. There were no options in issue through the period that were dilutive and so the basic earnings per share is the same as the diluted earnings per share

22. Financial commitments

Leasing arrangements
Group

	Non- cancellable operating leases 2022	Non- cancellable operating leases 2021
		£
Within one year	56,175	51,467
Within 1-5 years	142,605	151,809
	198,780	203,276

Company

	Non- cancellable operating leases 2022	Non- cancellable operating leases 2021
	£	£
Within one year	-	-
Within 1-5 years	-	-
	-	-

23. Control

The directors consider that there is no ultimate controlling party

These group accounts are available to the public from:
City and Merchant, Level 17, Dashwood House, 69 Old Broad Street, London EC2M 1QS.