Company Registration No. 06475379 (England and Wales)

Abingdon Health PLC

Annual Report and Financial Statements

For the Year Ended 30 June 2023

Abingdon Health PLC

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Company Information

Directors	Dr Chris Hand	Non-executive Chairman
	Mrs Mary Tavener	Non-executive Director
	Mr Chris Yates	Chief Executive Officer
	Mrs Melanie Ross	Chief Financial Officer

Company Secretary and Registered Office	Melanie Ross York Biotech Campus Sand Hutton York YO41 1LZ
Nominated Advisor	Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX
Sole Broker	Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX
Independent Auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL
Solicitors	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP
Financial PR	Walbrook PR Limited 75 King William Street London EC4N 7BE
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Registrars	Link Market Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Company number	06475379

Chairman & CEO Joint Statement

We are pleased to report a significant improvement in the trading performance of Abingdon Health over the financial year ended 30 June 2023. The refocusing of the business away from COVID-19 activities, which was undertaken from the summer of 2022 onwards, has started to yield growth in customer projects and revenues. We believe there is significant opportunity within the lateral flow market and expect to see continued strong revenue growth in 2024 and beyond.

We are now seeing growth in the market across a broad range of other (non-COVID-19) applications. Our integrated Contract Research Organisation ("CRO") and Contract Development and Manufacturing Organisation ("CDMO") model is resonating well with a diverse customer base across clinical (both self-testing and point of care), pharmaceutical, animal health, food, plant pathogen and environmental testing. This growth is being driven in part by reduced barriers to adoption for lateral flow technology ("LFT") due to the widespread awareness of LFT seen during the COVID-19 pandemic. We remain confident that Abingdon Health's expertise in the lateral flow industry and our in-house development and manufacturing platform, will continue to lead to sustainable revenue growth in coming years. Our key objective remains that of moving the Company to a positive cashflow position and we are making solid progress towards achieving this objective.

During the financial year we successfully resolved the remaining COVID-19 legal challenges faced, and restructured the business to enable it to focus on non-COVID-19 CRO/CDMO business activities. In July 2022 we received payment of £6.3m from the Department of Health & Social Care ("DHSC"). This was in settlement of the outstanding payments and invoices payable by DHSC for lateral flow tests and component stock for contracts entered into during the COVID-19 pandemic. In October 2022 a judicial review at the High Court of Justice dismissed in their entirety all the claims brought with regard to the three contracts the DHSC had entered into with Abingdon Health for COVID-19 antibody testing. Successfully resolving these issues has allowed the management team to focus fully on executing its strategy and driving commercial performance. From a standing start in the summer of 2022, with most activities in the prior year being COVID-19 related, we have seen a significant increase in our non-COVID-19 commercial activities and opportunity pipeline.

We strongly believe that we are at the start of a paradigm shift in the use and application of rapid testing across a wide range of applications and that Abingdon Health is well positioned to support customers in bringing new, innovative products to market across a range of sectors. We are proud to be working with some of the leading innovators in our sector and our focus remains on expanding our customer base and driving products through development, manufacturing and to commercial success.

Abingdon Health PLC

Strategic Report

Our strategy

Our mission at Abingdon Health is to improve life by making rapid results accessible to all. We achieve this by supporting our customers, as an integrated lateral flow CRO & CDMO, in developing and manufacturing lateral flow tests across a range of sectors including human health, such as infectious disease testing, animal health, plant pathogen and environmental testing.

Our technology focus continues to be based on lateral flow. The lateral flow market is large and growing with recent market estimates forecast that the lateral flow market will increase by 150 percent between 2022 and 2032 to reach a market size of $11.7bn by 2032 (Source: Fact.MR[1]). Whilst reduced barriers to adoption of lateral flow technology are a key driver, there are other factors at play. For example, there is a drive towards decentralisation of testing, both in the clinical market with a focus on personalised healthcare and the empowerment of patients to manage their own health, and in the animal health market where testing is being transitioned from the laboratory to the farm and the field. Lateral flow technology is simple and cost-effective, it is well-understood by users and seen as a valid alternative to laboratory testing in many cases. Due to these strengths, we are seeing growth across clinical (both point of care and self-testing), animal health, food testing, plant pathogen and environmental testing.

Abingdon Health's focus within the lateral flow market is two-fold:

Lateral flow CRO/CDMO

Firstly, we remain committed to becoming a leading lateral flow CRO/CDMO. The CRO and CDMO business model, well-established in the pharmaceutical industry, has direct application to the medical diagnostics market, and Abingdon Health's CRO/CDMO team have the capability to take a project from "idea to commercial success". Our contract services include R&D, optimisation and scale-up, technical transfer and manufacturing as well as added-value services such as reagent development, regulatory and clinical trial support, and packaging design and packaging service provision. The ability to offer this range of outsourced options to our customer base is resonating well. We are focused on driving greater awareness of the capabilities of, and innovation in, lateral flow technology through a regular cadence of blogs and articles and we also attend third party workshops and conferences to promote the use of lateral flow technology and share knowledge. We intend to continue to expand our contract service provision, through both investment in the development of new service lines and through acquisition of complementary businesses.

Self-testing lateral flow sales & distribution

Secondly, we are building a route to market, initially within Europe, for lateral flow self-tests. We believe that COVID-19 has been a catalyst for the expansion of self-testing across a range of other clinical areas. Our route to market will be a combination of both direct sales, via Amazon or through our website www.abingdonsimplytest.com, and through retail and distribution agreements. It is our intention to be a provider of choice to both our CDMO customers and to other parties who are looking for one partner to cascade their lateral flow tests across Europe. We have established our own self-test lateral flow brand, Abingdon Simply Test™ which currently includes 12 self-test products which we intend to expand to provide an increasingly comprehensive product portfolio to meet the needs of retailers and distributors.

Strategic Report (continued)

Again, we will focus on organically developing our distribution platform but there may be the opportunity to accelerate this strategy through acquisition. We very much see our lateral flow sales & distribution platform as complementary to our CRO/CDMO business. It is intended to provide support to a number of our CDMO customers who are developing self-tests, with a ready-made route-to-market to drive early commercial adoption. The first such example was the launch in June 2023 of Salistick™, the first ever saliva pregnancy test in the UK, on behalf of our CDMO customer Salignostics Limited. We were pleased to launch this online at Amazon, on our own website, www.abingdonsimplytest.com and in 400 Superdrug stores and online at Superdrug.com; with the addition of Tesco post-year end instore and online.

Performance in the year

We are pleased with the strong commercial progress made in FY23 following the decision to refocus the business in summer 2022. The Company's revenues increased to £4.0m, 43% higher than FY22 (£2.8m) and excluding COVID-19 revenues, FY23 revenues were 126% higher, underlining the strong transition to a sustainable CRO/CDMO business model. Revenue for H2 FY23, was £2.9m which was more than 2.5x that of H1 FY23 (£1.1m), with the increase coming from several new projects commencing from late H1 2023.

Our CRO/CDMO business grew 52% year-on-year and excluding COVID-19, CRO/CDMO revenues grew 155% year-on-year. This strong revenue traction was from a diverse range of customers across all aspects of our fully integrated CRO/CDMO solution, including contract development, technical transfer, manufacturing, regulatory, quality assurance and commercial support. This growth augurs well for future financial years as our model is based on bringing customers through the development process and into manufacturing and hopefully keeping these customers as manufacturing customers for the long-term. Therefore, the growth in customers we have seen during FY23 will create a platform for revenue growth in our CRO/CDMO business for FY24 and beyond.

We were also pleased to see our Product business revenues grow strongly during FY23 with 17% year-on-year growth when excluding COVID-19 and retired products from each year. FY23 was the first year of trading of our newly established Abingdon Simply Test™ brand and we were pleased with the progress made in growing the product range as well as establishing a number of new retail customers and distributors. Again, in FY24 we will build on this progress with continued expansion of our product range and sales and distribution platform to generate further Product sales growth.

Current Activity and Pipeline

We are continuing to see good momentum across both our CRO/CDMO and Product divisions in the current financial year.

Within the CRO/CDMO division, we continue to grow our contract development customer base and have signed a number of new Development contracts and Technical Transfer contracts in the current financial year to date (since July 2023). We have also seen a number of our existing contracted projects transition from development into technical transfer and from technical transfer into manufacturing. One such example is Loop Diagnostics ("LoopDx"), where we have worked closely with the LoopDx team for over 12 months to support the development of an early diagnostic test for sepsis. This product is targeting a significant unmet need and we are working closely with the LoopDx team to transfer the product into manufacturing, and will support them as they work through their clinical trials and commercial roll-out.

Strategic Report (continued)

In addition to our new and existing customer base our commercial pipeline remains robust, and we continue to see good opportunities to expand our CRO/CDMO customer base for the foreseeable future. Based on this forecast growth in our CRO/CDMO customer base we are continuing to grow our development team to support this expansion in activity.

The Product division has had an encouraging start to FY24, and we were pleased to announce in August 2023 that the Salistick™ product was launched in 298 of Tesco's larger stores and also online at Tesco.com. We now have two of the UK's leading retailers stocking the product and we continue to work on expanding the sales and distribution network for Salistick™ and our Abingdon Simply Test™ range both in the UK and into the EU. We will launch a rebranded Abingdon Simply Test™ range at the Pharmacy Show, a national event for community and primary care pharmacy professionals, in October 2023.

Concert Party

Post-year end, on 30 August 2023, we announced the break-up of a concert party established at IPO which effectively prevented shareholders who were holding approximately 35% of the issued share capital in Abingdon from being able to buy additional shares. Now that this 'IPO concert party' has been divided into three smaller concert parties, the holders within each separate concert party may now buy additional shares.

Team

During the financial year we reduced our average staff numbers from 130 to 82, which was a reflection of the full year impact of the redundancies in FY22. As at 31 August 2023 there were 82 employees within Abingdon Health. Due to the number of opportunities in the Contract Development pipeline, the number of heads in this area will increase by a small number in the coming months as projects become active. This will enable the Company to deliver more projects in this area.

We would like to thank all of the Abingdon Health team for their efforts in the last year, which resulted in significant revenue growth for the Business.

Governance and People

Mary Tavener is the senior-independent non-executive director, having been appointed in November 2020 prior to listing on AIM. Abingdon Health's other non-executive director is Dr Chris Hand who is a co-founder of Abingdon Health and non-executive chairman, and who retains a significant shareholding in the Company as noted in the Directors' Report.

Our Audit Committee and Remuneration Committee currently comprises Mary Tavener (Chair) with Chris Hand (non-executive chairman). The executive directors Chris Yates and Melanie Ross are invited to attend as required from time-to-time. The Board has concluded that at this time the Group does not currently require a Nominations Committee but will review this assessment on a regular basis including discussing the matter with its Nominated Advisor.

The Board remains focused on ensuring its own effectiveness and that of the governance processes throughout the Group, and that these governance structures remain fit for purpose as the Group develops and grows over time. Mary Tavener is Abingdon Health's only independent non-executive director and, as such, the Board's current composition does not comply with the requirements for a minimum of two independent non-executive

Strategic Report (continued)

directors under the QCA Corporate Governance Code, being the corporate governance code that the Company has chosen to apply.

The Board continues to believe, however, that its current composition is appropriate for the current size of the business and will continue to review its structure periodically as the needs of the business change.

Outlook & Funding

The Board believes it has no current requirement for additional funding. Cash at the end of the financial year was £3.2m. We believe we have sufficient cash resources to fund progress beyond 12 months from the signing date of the accounts, with our priority continuing to be moving the Company to a positive cashflow position.

Our strategic focus is on growing our CRO/CDMO business and expanding the reach of our Abingdon Simply Test™ product range. We will continue to focus on growing our CRO/CDMO customer base and support our customers in bringing their innovative products to market. As part of this strategy we will continue to expand our CRO/CDMO service offering to provide a comprehensive package of solutions that allow us to bring on customers' products through the journey "from idea to commercial success". We will also continue to grow our European distribution platform for self-tests both through increasing the number of retailer and distribution agreements in place and secondly through broadening the self-test product range including those developed in partnership with our CRO/CDMO customers.

Our key financial priorities are to grow our revenues and reduce our cash-burn through continued close cost management. To this end we will continue to focus our team's activities on CRO/CDMO business and near-term revenues with own-product development being given less priority until we are closer to break-even.

As a CRO/CDMO focused on lateral flow technology with a well-established track record of bringing products from "idea to market" we believe we are well-placed to support a broad range of customers across the clinical (point of care & self-test), pharmaceutical, animal health, food, plant pathogen and environmental testing markets. We believe our full-service contract service proposition strongly resonates with customers and we look forward to continuing to support our customers in bringing their innovative tests to market.

We would like to thank all our employees for their hard work, dedication and commitment during the past year as we returned to growth. We are confident that our contract services customer base and our current growing pipeline means we are well positioned to grow our business and deliver shareholder value going forward. We would like to thank shareholders for their support.

(1) Lateral Flow Assays Market Size to Surpass US$ 11.7 Billion (globenewswire.com)

Operating and Financial Review

Revenue and Margins

The Business delivered strong revenue growth in the period, growing 43% to £4.0m (2022: £2.8m), and increased by 126% when stripping out COVID-19 revenue from both fiscal years.

Revenue by Geographical Market

Geographical Market	2023 £m	% *	2022 £m	%*	(Decrease)/ Growth
UK	1.3	32%	1.4	50%	(8)%
USA/Canada	0.8	21%	0.2	6%	373%
Europe	1.7	41%	1.0	38%	55%
ROW	0.2	5%	0.2	6%	33%
Total	**4.0**	**100%**	**2.8**	**100%**	**43%**

* note - percentages are calculated on exact totals and not the rounded amounts shown above

Revenue by Operating Segment

Operating Segment	2023 £m	%*	2022 £m	%*	(Decrease)/ Growth
Products	0.4	10%	0.4	16%	(10)%
Contract Manufacturing	1.1	26%	1.1	40%	(6)%
Contract Development	2.3	57%	1.3	44%	85%
Regulatory	0.3	7%	0.0	0%	-
Total	**4.0**	**100%**	**2.8**	**100%**	**43%**

* note - percentages are calculated on exact totals and not the rounded amounts shown above

Contract Manufacturing (manufacture of products for third parties) fell 6% over the period. However, when adjusting for COVID-19 related sales, Contract Manufacturing grew 6%.

Product sales (own products) fell by 10% in the relevant period. When excluding COVID-19 sales and Seralite (discontinued products) sales increased 17%. Sales of products available through the Abingdon Simply Test™ website grew in line with expectations.

Contract Development (R&D activity based on a fee for service and manufacturing of validation batches) increased 85% year-on-year, and 445% when excluding COVID-19 sales which made up over 65% of revenue in the previous fiscal year.

Regulatory Affairs, charged as a fee-for-service model, is a new revenue stream that launched in 2022, and offers wrap around services that range from acting as UK representative for our contract manufacturing customers, to full regulatory support during design, development, and submission for regulatory approval. It encompasses ongoing regulatory support once the products are in the market or any combination of the above services. This service offering enhances the CRO/CDMO model to current and future customers.

Gross margin in the financial year was 51% (2022: minus 116% including underlying stock provision). Gross margin for FY23 is also significantly higher than the underlying gross margin for FY22 which, when adjusted for the £3.7m in stock provisions, was 3%. This increase is in part due to the restructuring activities in the previous year, as well as the strong growth in Contract Development revenue streams.

Operating and Financial Review (continued)

Adjusted EBITDA

Abingdon Health uses adjusted EBITDA as a measure, as this excludes items which can distort comparability as well as being the measure of profit that most accurately reflects the cash generating activities of the Company. The reconciliation of these adjustments is as follows:

	Disclosure Note	Year Ended 30 June 2023 £'000	Year Ended 30 June 2022 £'000
Adjusted EBITDA		**(2,893)**	**(9,997)**
Share based payment expense	**26**	(28)	(231)
Impairment charges		(86)	(7,192)
Gain on Lease Modification		390	
Non-recurring legal and professional fees	**5**	(33)	(688)
Non-recurring employee costs	**7**	(162)	(198)
Other Exceptional Costs	**5**	(88)	
DHSC related costs	**17**		(1,585)
Net Finance income/(costs)	**8/9**	17	(65)
Statutory EBITDA		**(2,883)**	**(19,956)**
Amortisation	**13**	(29)	(121)
Depreciation	**14**	(644)	(1,516)
Loss before Tax		**(3,556)**	**(21,593)**

Adjusted EBITDA loss in the period was £2.9m (2022: loss £10.0m), a significant decrease on the prior year driven by both increases in the revenue and cost reductions year on year.

Headcount in the Group was an average of 82 (2022: 130). Staff costs overall reduced to £4.0m (2022: £5.3m) reflecting the full year impact of the reduction in heads implemented during the previous year, and the savings associated with further leavers early in H1. Exceptional costs of £0.2m were incurred in the year in relation to these leavers. Headcount at the end of the year was 82.

Professional costs in the year were £0.4m (2022: £1.5m). Excluding the non-recurring and DHSC related costs in the previous year, FY22 costs were £0.6m, illustrating the underlying improvement of £0.2m results from a reduction in external consultancy and professional advisory services.

Premises costs were £0.6m in the year (2022: £1.0m), with underlying costs being £0.9m when adjusted for the one off £0.3m gain (in exceptionals) due to a release of the Right of Use asset resulting from releasing the contractual lease obligations on space at the Company's York site during the year as laboratories and manufacturing premises were rearranged to improve efficiency. This, as well as the continued mothballing of the Doncaster site, saw a reduction in rent and other associated costs by £0.2m. This saving was partially offset by an increase in the utility costs of the business of £0.1m.

Marketing and Travel costs increased to £0.2m (2022: £0.1m) as travel bans were lifted and the Company was able to attend more exhibitions and visit more customers in person. Increased spend was also incurred on website costs as we launched the Abingdon Simply Test™ own label product range.

Operating and Financial Review (continued)

Cash Resources

Net cash inflow from operating activities was £0.9m (2022: outflow £7.7m). A reduction in payables, stock and the unwinding of the DHSC contract stock and payable amounts following the satisfactory conclusion of the dispute with DHSC were the main drivers of the improvement.

The net proceeds from financing activities were from a drawdown against an existing Innovate UK product development loan arrangement.

Altogether this represented a net cash increase of £0.8m when compared to the prior year, and a closing cash position of £3.2m (2022: £2.4m).

Financing

In July 2022 the Company received £6.3m cash in full settlement from the DHSC of the disputed amounts.

Key Performance Indicators ("KPIs")

The Company considers various factors when determining the KPI measures and these evolve as the business changes to meet differing market demands to ensure continued success. In this financial year the KPI measures focused on revenue growth, reduction in (adjusted) EBITDA loss and reduction in the cash burn of the business. These metrics are felt to be the most important to ensure that the business achieves cash breakeven and profitability. Other internal measures introduced in the new financial year will focus on contract progression from Development to Manufacturing, as well as the number of tests manufactured per FTE.

Earnings per Share

Earnings per share was a loss of 1.14p in the period and adjusted EPS was a loss of 0.95p in the same period.

	EPS
Basic EPS	(1.14)p
Loss attributable to Shareholders	£(3.56)m
Add: Share Based Payments	£0.03m
Add: Nonrecurring legal fees	£0.03m
Add: Nonrecurring employment costs	£0.16m
Add: Impairment charge	£0.09m
Add: Depreciation and Amortisation	£0.67m
Deduct: Finance Costs	£(0.02)m
Deduct: Lease modification	£(0.39)m
Add: Other exceptional costs	£0.09m
Adjusted Loss attributable to Shareholders	£(2.89)m
Adjusted EPS	(0.95)

Abingdon Health PLC

Principal Risks and Uncertainties

Risk	Indication of risk on prior year	Impact and description	Mitigating actions
Funding risk	→	The Business is cash flow negative although the cash burn has reduced significantly and is forecast to continue to improve due to increased forecast revenue and continued cost control.	The Business continues to grow its revenue generating opportunities and has a strategy in place to develop long-term relationships from Contract Development through to Contract Manufacturing. This is evidenced by the sales growth achieved in the year compared to the prior period. Costs and cash flow models are also regularly reviewed to ensure that they are in line with the needs of the business and continue to give the business sufficient runway.
Regulatory Approval	→	As a business that supplies to international customers a significant proportion of the products require registration by the customer (the products legal manufacturer) from multiple regulatory bodies prior to being offered for sale. There is no guarantee that any product registration by the Business will be successful and failure to do so could have a major impact upon the Businesses ability to sell products in the relevant country.	We have a team of quality and regulatory specialists in-house who can work on multiple registrations in parallel to increase the likelihood of approvals. Our EU representative for our products, Advena, have offices in Malta and the UK and advise on EU specific matters and IVDR.
Revenue Growth	→	If revenue growth is not achieved there is a risk that capacity will be under utilised.	There is a strategic plan to continue growing the Contract Development revenue stream through bringing in more research and technical transfer stage projects. The number and quality of customers in this area is high, giving the Board sufficient confidence in achieving sales growth. Use of automated lateral flow assembly equipment with versatile equipment which can changeover product types and increase the throughput in operations gives the Board confidence that should contracts be won there is capacity to meet demand and that manufacture is efficient.

Principle Risks and Uncertainties (continued)

Risk	Indication of risk on prior year	Impact and description	Mitigating actions
Key Employees	→	The Business operates in an industry where recruitment and retention of talented employees is crucial in being able to deliver the strategic objectives. Whilst recruitment issues have eased over the last 12 months and attracting talent has proven less challenging, the Business must be proactive in talent attraction and retention.	The Business offers competitive salary and benefits packages to employees. Our personal development review process aids in both identifying areas of focus and success, as well as identifying talented individuals and the program of training that is needed to help them and the business achieve its highest potential.
Supply Chain	→	The supply chain is subject to price movements due to inflationary pressure as well as other potential factors such as transport cost increases and issues due to wider economic and political pressures such as the Ukraine/Russia war. This may lead to increasing prices for goods as well as increased lead times for critical components.	Contractual arrangements in place offer some mitigation for component pricing. Suppliers are measured with robust key performance indicators, with our highest-level suppliers being audited by our quality assurance team annually. Supply of stock to achieve on time delivery to customers is managed robustly to ensure that we meet our customers' needs without holding unrequired amounts of stock. Where managing supply chain activities for new products and customers, the team recognise that there is a balance between the pricing of components and their availability due to location of manufacture. This is managed accordingly with appropriate stockholding or dual sourcing where possible.
Economic and Political Factors	↑	The local and world economic environment is changing at pace currently, impacting inflation and interest rates in particular. This impacts the Business in several ways including increasing the cost of living for our employees and driving cost increases in infrastructure and supply chain.	The Business reviews its salaries and benefits packages in relation to the wider market and believes its offering to be competitive. This remains under constant review to ensure our employees are fairly remunerated. Energy bills have been affected though rates are beginning to fall from previous highs. Material costs are reviewed regularly and bulk purchase made where possible and in the businesses interest, and margins are reviewed and cost increases are passed on to customers where possible.

Principle Risks and Uncertainties (continued)

Key: Risk levels on prior year

↑	Risk increase vs prior year
→	Risk remains the same vs prior year
↓	Risk reduction vs prior year

Section 172 Statement of the Companies Act

The Board of Directors considers that, individually and collectively, in line with the obligations under the Companies Act 2006, it has acted in the way which in good faith would be most likely to promote the success of the Business for the benefit of its stakeholders, employees, customers, suppliers, local government and communities in accordance with the stakeholder and matters noted in S172(1)(a-f) of the Act in the decisions taken during the year.

The Board looked to promote the success of the Business, having regard to the long term, whilst considering the interests of all stakeholders. Our strategy is designed to secure the long-term financial viability of the Business to the benefit of its members and all stakeholders. A main feature of this is to continue to operate the business within tight budgetary controls and in line with regulatory requirements. During the year this was done by reference to:

- our continued and ongoing communication with our employees to ensure that we meet our objectives in relation to staff retention. Staff benefits were also reviewed to ensure that we remain competitive in the market and continue to attract highly talented individuals;
- our continued and ongoing communication with our shareholders to ensure that they understand and support the strategy of the business and have the opportunity to speak to the leadership team;
- our continued priority for health and safety improvement measured through ongoing risk assessments to ensure the safety of our staff and visitors to our sites;
- the approval of our strategic objectives for the Business ensuring that they are in the interests of the stakeholders of the Business; and
- the business plan for the next financial year to ensure that whilst achievable, it is also challenging whilst representing and measuring the strategic objectives of the business.

Stakeholder interests are considered by the Board through a combination of methods.

Stakeholder Engagement

Shareholders

We communicate with our shareholders through planned investor relation activities, Regulatory News Service ("RNS") announcements and the publication of our annual and half year reports. Through this we ensure open communication with our shareholders, ensuring that they are provided with insight into the Business strategy and how we create value that will generate strong and sustainable results. We also engage with shareholders through the AGM, one on one investor meetings and discussions with shareholders where appropriate. Key decision made by the Board in the year are referenced in the Corporate Governance section of the report.

Customers

Our customers are central to the strategic goals of the Business, and we strive to deliver products and services that meet not only their specific needs, but the highest applicable regulatory standards. We engage regularly with our customer base and conduct annual customer experience surveys, taking action where appropriate. We also meet our customers' needs by maintaining facilities that are compliant to appropriate quality and regulatory standards, ISO9001:2015, ISO13485:2016, as well as being audited by our customers.

Section 172 Statement of the Companies Act (continued)

Employees

We appreciate the value of diversity within our employee base and recognise that the skills and knowledge of our employees are key aspects of creating value within the organisation. We strive to create a friendly and open culture within the Business, holding regular all-staff calls led by either the CEO, CFO or COO and encourage career progression within the Business.

In response to the cost-of-living crisis the Board decided to award every employee below Board level a one-off bonus in the year, as well as a pay increase in January.

The Business conducts an annual employee feedback survey, the results of which are reported to the Board and fed back to the employees along with any resulting actions. The Business has also encouraged the creation of an Employee Forum to directly communicate employee thoughts, considerations and needs to the senior management.

Environmental, Social and Governance

The Board recognise that, aligned with our strategic objectives, we are committed to developing a framework that aligns our Company culture and goals with our ESG objectives.

Environmental

- We are collaborating with partners to offer sustainable raw material solutions for our customers, such as alternatives to plastic housings like bamboo.
- We offer preferential parking and electric charging stations to employees and visitors with electric cars.
- Cycle to work scheme offered to all employees.
- Recycling in place throughout all premises.

Social

- We offer employees a supportive work environment with flexible and hybrid working policies in place.
- We have a Staff Forum that meet regularly to bring issues and suggestions to the senior leaders in the organisation.
- Equal opportunities policy in place, leading to a diverse workforce in gender, age and culture. Internal promotions are given preference where possible.
- Regular Health and Safety walks with the goal to improve our Health and Safety Culture.
- We support a local sports team by sponsoring sports kit.

Governance

- We have Board Audit and Remuneration committees in place with stated frameworks.
- We operate within a highly regulated environment and have maintained our ISO certifications year on year.
- The Business has in place a number of policies and procedures focused on good ethical behaviours such as modern slavery, whistleblowing and bribery and corruption.

Board of Directors

Dr Chris Hand – Non-Executive Chairman

Dr Chris Hand is co-founder of Abingdon Health. He has over 30 years' experience in the medical diagnostics industry in the development and commercialisation of immunodiagnostic products, particularly rapid tests. Before Abingdon, Chris co-founded the medical diagnostics company Cozart Bioscience Ltd specialising in on-site saliva drug testing, and was Chief Executive of Cozart plc, following IPO on AIM in 2004, until October 2007 when the company was sold to Concateno plc. Prior to founding Cozart, Chris was Director of Research for the European base of DPC (now part of Siemens Healthineers Solutions) developing a wide range of immunodiagnostic kits in a variety of formats.

He has a BSc in Applied Biochemistry from Brunel University and a DPhil from the Faculty of Medicine, University of Oxford. He is also chairman of Alta Bioscience Ltd.

Chris Yates – Chief Executive Officer

Chris Yates joined Abingdon Health as CEO in July 2015. Chris originally co-founded Abingdon Health with Dr Chris Hand in 2008 and was a non-executive of the Group prior to his appointment as CEO. Prior to Abingdon Health, Chris held CFO positions in two medical diagnostic groups, both AIM-listed at the time, Immunodiagnostic Systems Holdings PLC and Cozart plc. Chris is also a non-executive director of AIM-listed near-patient molecular diagnostic business Genedrive plc. Chris is a fellow of the Institute of Chartered Accountants of England and Wales (FCA) and has a degree in economics from the University of Cambridge.

Melanie Ross – Chief Financial Officer

Melanie is a highly experienced executive with a strong track record of process and business improvement, and has broad experience in managing rapidly growing businesses, fund raisings, acquisitions, and corporate governance. Most recently she was Group Finance Director at Enrich4 Ltd, and prior to that served as Chief Financial Officer and Chief Operating Officer at AIM-listed Surgical Innovations Group Plc where she was instrumental in leading the Group to profitability. Melanie holds a BA (Hons) in Accounting and Finance from the Nottingham Trent University.

Mary Tavener – Non-Executive Director

Mary is the Senior Independent NED of Abingdon Health and Chair of the Audit and Remuneration Committees. Mary has extensive experience in the healthcare sector, having previously been Chief Financial Officer and Board member of AIM listed Advanced Medical Solutions plc (AMS) for 19 years during which the company saw 15 years of consecutive growth. Mary is a Member of the Chartered Institute of Management Accountants (ACMA) and a Fellow of the Association of Corporate Treasurers (FCT). She has a degree in Chemistry from the University of Oxford. Mary is also a non-executive director at Allergy Therapeutics plc and was a non-executive director at Yourgene health plc prior to it being acquired by Novacyt Group plc.

Abingdon Health PLC

Corporate Governance

As a Board we acknowledge the importance of Corporate Governance and as such have adopted the Quoted Companies Alliance (QCA) Corporate Governance Code for Small and Mid-Sized quoted companies. Full details of the code and how we adopt it can be found on the Group's website within the Board and Governance section within the Investors section. The Board recognises the value of the code and good governance and applies the QCA code as far as is practicable for a Group the size and nature of Abingdon Health PLC.

The Chairman and the Board of Directors has overall responsibility for Corporate Governance and is committed to providing information on an open basis.

Mary Tavener is Abingdon Health's only independent non-executive director and, as such, the Board's current composition does not comply with the requirements for a minimum of two independent non-executive directors under the QCA Corporate Governance Code, being the corporate governance code that the Business has chosen to apply. The Board believes, however, that its current composition is appropriate for the current size of the business and will continue to review its structure periodically as the needs of the business change.
We summarise the key Corporate Governance features below, and in addition we further comment on certain principles of the Code as follows;

Principle 1: Establish a strategy and business model which promotes long terms value for stakeholders.

Narrative covering the strategy and business model of the Group is included in the Strategic Report within this Annual Report and Financial statements, including key challenges in their execution.

Board and Committee Meetings

The size and structure of the Board and its Committees are kept under review to ensure an appropriate level of governance operates throughout the year.

There is a clear division of responsibilities between the Chairman, who is responsible for the running of the Board, and the Chief Executive Officer, who is responsible for running the business.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience in finance, innovation, international trading, e-commerce and marketing. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The Group reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. All Directors retire by rotation at regular intervals in accordance with the Group's Articles of Association.

Each Director is provided with sufficient information to enable them to consider matters in good time for meetings and enable them to discharge their duties properly. There is a formal schedule of matters reserved for Board approval.

Board and Committee Meetings (continued)

The Board agrees the business plan, determines overall strategy, acquisition, investment, people and development and health and safety policies, as well as approval for major items of capital expenditure. The Directors continually ensure they are trained in association with duties and responsibilities of being a director of a listed Company.

The current Board Members are profiled on page 16

The Board meets regularly and during the reporting period there were 11 Board Meetings, 3 Remuneration Committee meeting and 3 Audit Committee meetings.

	Board Meeting		Audit Committee		Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Dr Chris Hand	11	11	2	2	-	-
Mr Chris Yates	11	11	-	-	-	-
Mr Lyn Rees[(1)]	2	2	1	1	1	1
Mrs Mary Tavener	11	11	3	3	3	3
Mrs Melanie Ross	11	11	3	-	2	-

* [(1)] Resigned 30 September 2022

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Chairman assesses the individual contributions of each of the members of the team on an ongoing basis to ensure that:
- Their contribution is relevant and effective;
- That they are committed; and
- Where relevant, they have maintained their independence.

The Chairman holds regular individual reviews with each board member to discuss matters reserved for the Board and matters impacting Board effectiveness.

Key Board activities this year included:
- review and approval of the previous year results;
- review of site infrastructure, specifically the decision to mothball Doncaster;
- review and approval of interim results;
- commercial presentations;
- risk management and risk register;
- strategic review;
- review and approval of the budget; and
- changes to the people infrastructure of the business, specifically the decision to increase the headcount to meet demand in Contract Development.

Board and Committee Meetings (continued)

Audit Committee

Chaired by: Mary Tavener

Other Members: Lyn Rees (up to his resignation on 30th September 2022), Chris Hand

The Audit Committee is appointed by the Board from amongst the Non-executive Directors of the Group and meets at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

The Committee's responsibilities are set out in its terms of reference. The role of the Committee is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring:

- the integrity of the financial and narrative statements and other financial information provided to shareholders;
- the Group's system of internal controls and risk management;
- the internal and external audit process and auditors;
- the processes for compliance with laws, regulations and ethical codes of practice;
- the Group's attitude to and appetite for risk and its future risk strategy;
- how risk is reported internally and externally; and
- The Audit Committee is required to report its findings to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.

The experience of the Committee members allows them to understand the risks facing a diagnostics business and approaches to manage the associated risks, maintain oversight of the Group's internal controls, review strategic financial management and provide support on the Group's approach to corporate governance.

During the year the Committee met 3 times. and undertook the following activities:

- reviewed the integrity of the financial statements including the Preliminary statement, Annual and Interim reports;
- meeting with the Auditors to review the interim and full year results, discussing key accounting judgements made and advising the Board that these were a balanced and fair representation;
- reviewed and updated the risk register and reporting to the Board its view on the key operational and financial risks the business faced;
- reviewed whether a going concern basis was appropriate for the preparation of the annual reports;
- reviewed other key audit judgements and estimates; and
- reviewed the need for an Internal control function.

Board and Committee Meetings (continued)

Remuneration Committee

Chaired by: Mary Tavener

The Remuneration Committee is appointed by the Board from amongst the Non-executive Directors of the Group and meets at least twice a year at appropriate times and otherwise as required.

The Committee has responsibility for assisting the board in fulfilling its oversight responsibilities by reviewing and monitoring remuneration strategy including:

- determine and agree with the board the framework or broad policy for the remuneration of the Group's Chairperson and the executive directors including pension rights and compensation payments;
- recommend and monitor the level and structure of remuneration for senior management;
- review the ongoing appropriateness and relevance of the remuneration policy;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes; and
- report its findings to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.

The objective of the Remuneration Committee is to ensure that remuneration is appropriate to attract, retain and motivate the executive management of the company without paying more than necessary. The remuneration policy will bear in mind the Group's appetite for risk and be aligned to the Group's long term strategic goals. A significant proportion of remuneration should be structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Group.

Nomination Committee – The Board has concluded that the Group does not currently require a Nominations Committee but will review this assessment on a regular basis including discussing the matter with its Nominated Advisor.

Principle 8: Promote a culture that is based on our values and behaviours The Board aims to lead by example and do what is in the best interests of the Group.

The Group's culture, values and frameworks for customers, suppliers, colleagues, shareholders and other stakeholders, are fundamental to delivering business growth.
The Board ensures that the Group has the means to determine that values are recognised and respected through its reward and recognition frameworks from performance and development review through to recognition awards over the period. General positive feedback has been received from shareholders in relation to the management.
There have been no key governance matters to report during the year.

On behalf of the Board

Mrs M Ross
Director
Date: 16 October 2023

Directors' Report

The Directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities
The Group's principal activities continue to be to develop, manufacture and distribute diagnostic devices and provide regulatory consultancy services to businesses in the diagnostics sector.

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

Dr C Hand
Mr C Yates
Mrs M Ross
Mrs M Tavener
Mr L Rees (resigned 30 September 2022)

Results and dividends
The results for the year are set out on pages 32 to 79. The Directors do not recommend payment of a dividend (2022 - £nil).

Substantial Shareholdings

Other than the Directors' own holdings, the Board has been notified that, as at 8 September 2023, the following shareholders on the Group's share register held interests of 3% or more of the issued ordinary share capital of the Group:

Shareholder	Number of Shares ('000's)	%
Enterprise Ventures (General Partner NPIF YHTV Equity) Ltd	18,071	14.85%
Hargreaves Lansdown PLC	10,433	8.57%
Catenalucis LLC	7,588	6.23%
Interactive Investor	6,636	5.45%
Thornapple LLP	6,113	5.02%
Jarvis Securities	4,817	3.96%
Touchstone Innovations Business LLP	4,165	3.42%
Halifax Share Dealing	3,772	3.10%

Directors' Interests

The interests in the share capital of the Group of those Directors in office at the end of the year were as follows:

	At end of year to June 2023	
	Ordinary shares of 0.025p each	%
Chris Hand	13,028,467	10.70%
Chris Yates	7,888,844	6.48%
Melanie Ross	5,000	0.004%

Directors Report (continued)

Research and Development

The Group's activities in this area have focused on developing and improving lateral flow tests for new and existing customers. This is reported under the revenue by operating segment Contract Development in the Operating and Financial Review above.

Financial risk management policies

The Group's activities expose it to a variety of financial risks. The approach to these is covered in note 22.

Future Developments

The future developments of the Group are discussed in the strategic report.

Going concern

The Directors have prepared cash flow forecasts under a number of scenarios, including plausible downside scenarios, for the foreseeable future, being a period of at least 12 months from the expected date of approval of the financial statements and continue to evaluate financial forecasts. The models are underpinned by a high percentage of forecast revenues up to December 2024 being based on committed milestone-based contracts. The Group continues to focus on partnering with other Companies to develop products for manufacture and transition these in a timely manner and securing sales of existing and new products through its websites and distribution channels. At 30 June 2023 the bank balance was £3.2m.

The Board is satisfied that based on current forecasts, there is sufficient headroom and concluded that it is appropriate to prepare the Annual Report and Accounts on a going concern basis.

Auditor

In accordance with the Group's Articles and Section 491 Companies Act 2006, a resolution proposing that BDO LLP be reappointed as auditor of the Group will be put at the General Meeting in which these financial statements are presented.

Statement of disclosure to auditor

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

On behalf of the Board

Mrs M Ross
Director
Date: 16 October 2023

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards, and the Company financial statements in accordance with FRS 101 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards , 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 Group and Company will continue in business.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report to the members of Abingdon Health plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Abingdon Health plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 and the Parent Company's ability to continue to adopt the going concern basis of accounting is set out in the key audit matters section of our report.

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 and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Coverage	*100% (2022: 100%) of Group loss before tax* *100% (2022: 100%) of Group revenue* *100% (2022: 100%) of Group total assets*
Key audit matters	2023 / 2022 Going concern: 2023 ☒ 2022 ☐ Valuation of goodwill, intangibles, property, plant and equipment (Group) and investment/ intercompany positions in subsidiaries (Parent Company): 2023 ☐ 2022 ☒ We do not consider the valuation of goodwill, intangibles, property, plant and equipment (Group) and investment/ intercompany positions in subsidiaries (Parent Company) to be a key audit matter in the current year, as these areas were impaired in the year ended June 2023.
Materiality	*Group financial statements as a whole* £70.5k (2022: £217k) based on 1.75% of total revenue (2021: 1.7% of total assets) - refer to 'Our application of materiality' section below for details.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Parent Company and Forsite Diagnostics Limited were considered to be significant components and were subject to a full scope audit by the Group engagement team, covering 100% of the total revenue and total assets and 99% of total loss before tax of the Group for the year.

The financial information of the non-significant components (being Molecular Vision Limited and Serascience Limited), were subject to specific audit procedures and relevant analytical procedures performed by the Group engagement team. These non-significant components accounted for 1% of the loss before tax of the Group for the year.

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, including 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Going Concern The Group's accounting policy on going concern is shown in note 1.3 to the financial statements.	We have assessed there to be a risk around the Group's ability to continue as a going concern, given the cash outflow in the Group during the year ended 30 June 2023 and the change in business model and full implementation of this in the current year. We therefore have identified going concern as a significant risk and a key audit matter.	We have obtained an understanding of the business model, objectives and strategies and related business risk, the measurement and review of the Group's financial performance including forecasting and budgeting processes and the Group's risk assessment process. Our detailed procedures included the following: • Obtaining and examining the Board's going concern assessment, alongside supporting forecasts for the period to December 2024, which is at least twelve months from when the financial statements are authorised for issue. • Verifying the arithmetical accuracy and integrity of such forecasts. • Review of the Directors' methodology including the relevance and reliability of the underlying data used to make the assessment, and whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other. • Challenging the Director's assumptions, such as revenue pipeline, as used in the forecast period through review of the historic forecast accuracy, comparing forecasts to post year end results, cost performance, current business trends, pipeline/contract analysis and industry growth benchmarks. In addition, challenging of margin and cash conversion assumptions was also performed. • Considering the Board's probable scenarios of sensitivities, to understand the robustness of the forecast trading model and the headroom available to the Group and Parent Company. • Review of the available cash and financing facilities within the

		Group (including period of availability of facilities), and evaluation of the Directors' downside sensitivities on cash flow headroom (including relevant mitigating actions). • Review of the disclosures made in the financial statements. We assessed whether these adequately disclose and are consistent with the basis of the judgements taken and the view formed by the Directors with respect to going concern. *Key observations* Our key observations are set out in the Conclusions relating to going concern section of our report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole.

Financial Statement materiality

	Group financial statements		Parent Company financial statements	
	2023 £k	2022 £k	2023 £k	2022 £k
Materiality	70.5	217	36.7	195
Basis for determining materiality	1.75% of total revenue	1.75% of total assets	52% of Group materiality	90% of Group materiality
Rationale for the benchmark applied	We considered revenue to be the most appropriate measure of performance and basis for determining materiality, given the business model change and full implementation of this in the current year.	We considered total assets to be the most appropriate basis for determining materiality as it is a key measure of performance for users of the financial	Calculated as a percentage of Group materiality given the assessment of aggregation risk.	Calculated as a percentage of Group materiality given the assessment of aggregation risk.

		statements and given the change in business model of the Group.		
Performance materiality	45.8	141	23.8	34
Basis for determining performance materiality	65% (2022: 65%) of materiality, based upon the Parent Company being listed on AIM, a limited number of areas subject to estimation uncertainty, history of misstatements and management's attitude to correcting any proposed adjustments.			

Specific materiality- n/a (2022: Revenue)

We also determined that in the prior year for Revenue, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for this based on nil% (2022: 1.75%) of Revenue for the Group and nil% (2022: 90%) of Group specific materiality for the Parent Company. We further applied a performance materiality level of nil% (2022: 65%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated. Thus, Group Revenue specific materiality and performance materiality was £nil (2022: £50k) and £nil (2022: £32.5k) respectively. Parent Company Revenue specific materiality and performance materiality was £nil (2022: £45k) and £nil (2022: £29k) respectively.

Specific materiality – n/a (2022: Department of Health & Social Care "DHSC")

We also determined that in the prior year for those balances related to DHSC, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on nil% (2022: 2%) of the total DHSC asset balance for both the Group and Parent Company. We further applied a performance materiality level of nil% (2022: 65%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated. Thus, this specific DHSC materiality and performance materiality for the Group and Parent Company was £nil (2022: £100k) and £nil (2022: £65k) respectively.

Component materiality

Component materiality for the significant component other than the Parent Company, whose materiality is set out above, was determined based on size and our assessment of the risk of material misstatement of that component. Component materiality for this significant component was determined based upon 96% (2022: 37%) of Group financial statement materiality. There was a change in these percentages year on year as a result of component materiality being a function of a revenue metric based Group materiality in 2023, compared to a total assets metric based Group materiality in 2022. We further applied performance materiality levels of 65% (2022: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated. This component financial statement materiality and performance materiality was £68k and £44.2k (2022: £80k and £52k) respectively.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2,115 (2022: £6,500). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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.

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

Non-compliance with laws and regulations
Based on our understanding of the Group and the sector in which it operates; discussion with management and those charged with governance and obtaining an understanding of the company's policies and procedures regarding compliance with laws and regulations; we identified that the principal risks of non-compliance with laws and regulations related to the applicable reporting frameworks, and we considered the extent to which non-compliance might have a direct impact and material effect on the Group's financial statements or their continued operation. We also considered other significant laws and regulations to be UK tax legislation, and AIM Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, and GDPR legislation.

Our procedures in respect of the above included:
- Inquired of management and those charged with governance regarding any instances of non-compliance with laws and regulations;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Involvement of tax specialists in the audit.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be fictitious revenue transactions (specifically in respect of year end cut off), potential incorrect pricing in sales transactions, fraudulent journals posted to revenue, fictious employees and suppliers, and management override of controls.

Our procedures in respect of the above included:

- Potential incorrect revenue cut off at year end - we performed detailed testing in respect of revenue around the year end and agreed, on a sample basis, revenue recorded to proof of completion of the performance obligation being reflected in the correct period.
- Potential incorrect pricing in sales contracts - we selected a sample of sales transactions/ contracts across the year, to agree the actual invoiced amounts from the accounting system against the approved contract value.
- Fraudulent journals posted to revenue – we reviewed journals entries made to revenue nominal accounts, to identify unexpected entries compared to our understanding of the business. We assessed the completeness of the population reviewed by reconciling the populations of journals to the movement in relevant nominal accounts;
- Management override of controls – we challenged assumptions made by management in respect of significant accounting estimates and judgements, as well as tested journal entries throughout the year, which met a defined risk criteria, to supporting documentation;
- Existence of employees – we selected a sample of new employees and employees who had left the Group in the year and agreed these movements to relevant documents and payroll records. In addition we performed procedures to identify potential duplicate employees.
- Existence of suppliers – we selected a sample of costs in the year and confirmed the legitimacy of the supplier to third party source documentation. We also reviewed payroll and supplier records for evidence of any duplicate items.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities is available 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds, UK
October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2023

	Notes	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Revenue	3	4,045	2,835
Cost of sales		(1,970)	(6,427)
Gross profit/(loss)		2,075	(3,592)
Administrative expenses		(5,220)	(6,645)
Other income	4	252	240
Adjusted EBITDA (before adjusting items)		(2,893)	(9,997)
Amortisation	13	(29)	(121)
Depreciation	14	(644)	(1,516)
Impairment charges	5	(86)	(7,192)
Share based payment expense	26	(28)	(231)
Non-recurring legal, professional and fundraising fees	5	(33)	(688)
Non-recurring redundancy costs	7	(162)	(198)
Lease Modification	12	390	-
Other exceptional costs	5	(88)	-
DHSC exceptional costs	16	-	(1,585)
Operating loss	5	(3,573)	(21,528)
Finance income	8	89	4
Finance costs	9	(72)	(69)
Loss before taxation		(3,556)	(21,593)
Taxation credit	10	105	331
Loss for the financial period		(3,451)	(21,262)
Other comprehensive income for the year net of tax		-	-
Total comprehensive loss for the year		(3,451)	(21,262)
Attributable to:			
Equity holders of the parent		(3,451)	(21,262)
Basic losses per share (pence)	12	(1.14)	(7.29)
Diluted losses per share (pence)	12	(1.14)	(7.29)

All operations are in respect of continuing activities.

Adjusted EBITDA defined as Earnings before interest, tax, depreciation, amortisation and one off costs as outlined above, is a non-GAAP measure used by management and is not an IFRS disclosure.

The notes on pages 40 to 79 form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	30 June 2023 £'000	30 June 2022 £'000
Non-current assets			
Goodwill	**13**	-	-
Other intangible assets	**13**	90	36
Property, plant, and equipment	**14**	1,209	1,777
		1,299	1,813
Current assets			
Inventories	**17**	329	534
Trade and other receivables	**18**	1,147	7,844
Income tax receivable		50	183
Cash and cash equivalents		3,236	2,397
		4,762	10,958
Total assets		6,061	12,771
Current liabilities			
Trade and other payables	**19**	2,033	5,059
Borrowings	**20**	-	115
Obligations under leases	**21**	87	150
		2,120	5,324
Non-current liabilities			
Borrowings	**20**	708	435
Obligations under leases	**21**	224	580
		932	1,015
Total liabilities		3,052	6,339
Net assets		3,009	6,432
Equity			
Attributable to the owners of the parent:			
Share capital	**25**	76	76
Share premium		30,309	30,309
Share based payment reserve	**26**	80	153
Accumulated deficit		(27,456)	(24,106)
Total equity		3,009	6,432

The notes on pages 40 to 79 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 16 October 2023 and are signed on its behalf by:

Mrs M Ross
Director
Company Registration No. 06475379

Abingdon Health PLC

Company Statement of Financial Position
As at 30 June 2023

	Notes	30 June 2023 £'000	30 June 2022 £'000
Non-current assets			
Other intangible assets	**13**	17	21
Property, plant and equipment	**14**	844	1,045
Investment in subsidiaries	**15**	-	-
		861	1,066
Current assets			
Inventories		49	-
Trade and other receivables	**18**	1,466	7,245
Income tax receivable		-	183
Cash at bank and in hand		1,748	1,454
		3,263	8,882
Total assets		4,124	9,948
Creditors: amounts falling due within one year			
Trade and other payables	**19**	864	1,576
Borrowings	**20**	-	115
Obligations under leases	**21**	87	150
		951	1,841
Net current assets		2,312	7,041
Total assets less current liabilities		3,173	8,107
Creditors: amounts falling due after one year			
Borrowings	**20**	708	435
Obligations under leases	**21**	224	580
		932	1,015
Total liabilities		1,883	2,856
Net assets		2,241	7,092
Capital and reserves			
Share capital	**25**	76	76
Share premium		30,309	30,309
Share based payment reserve		80	153
Accumulated deficit		(28,224)	(23,446)
Total capital and reserves		2,241	7,092

The Company's loss after taxation for the year was £4,879,533 (2022 – loss: £22,126,525).

The notes on pages 40 to 79 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 16 October 2023 and are signed on its behalf by:

Mrs M Ross
Director
Company Registration No. 06475379

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

	Share Capital	Share premium	Share based payment reserve	Accumulated deficit	Total equity attributable to owners of the parent
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 July 2021	69	24,180	44	(2,966)	21,327
Year ended 30 June 2022:					
Profit and loss	-	-	-	(21,262)	(21,262)
Total comprehensive loss for the year	-	-	-	(21,262)	(21,262)
Other movements:					
Share option expense	-	-	231	-	231
Share options exercised	-	-	(10)	10	-
Share options cancelled	-	-	(112)	112	-
Issue of shares	7	6,493			6,500
Cost of issue of shares	-	(364)	-	-	(364)
Balance at 30 June 2022	76	30,309	153	(24,106)	6,432
Year ended 30 June 2023:					
Profit and loss	-	-	-	(3,451)	(3,009)
Total comprehensive loss for the year	-	-	-	(3,451)	(3,009)
Other movements:					
Share option expense	-	-	28	-	28
Share options exercised	-	-	(4)	4	-
Share options cancelled	-	-	(97)	97	-
Balance at 30 June 2023	76	30,309	80	(27,456)	3,009

The notes on pages 40 to 79 form part of these financial statements.

Abingdon Health PLC

Company Statement of Changes in Equity
For the Year Ended 30 June 2023

	Share capital	Share premium	Share based payment reserve	Accumulated deficit	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2021	69	24,180	44	(1,441)	22,852
Year ended 30 June 2022:					
Profit and loss	-	-	-	(22,127)	(22,127)
Total comprehensive loss for the year	-	-	-	(22,127)	(22,127)
Other movements:					
Share option expense	-	-	231	-	231
Share options vested	-	-	(10)	10	-
Share options cancelled	-	-	(112)	112	-
Issue of shares	7	6,493	-	-	6,500
Cost of issue of shares	-	(364)	-	-	(364)
Balance at 30 June 2022	76	30,309	153	(23,446)	7,092
Year ended 30 June 2023:					
Profit and loss	-	-	-	(4,879)	(4,879)
Total comprehensive loss for the year	-	-	-	(4,879)	(4,879)
Other movements:					
Share option expense	-	-	28	-	28
Share options vested	-	-	(4)	4	-
Share options cancelled	-	-	(97)	97	-
Balance at 30 June 2023	76	30,309	80	(28,224)	2,241

The notes on pages 40 to 79 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	30 June 2023 £'000	30 June 2022 £'000
Cash flows from operating activities:		
Loss for the year	(3,451)	(21,262)
Adjustments for:		
Other income	(252)	(240)
Net finance (income)/costs	(17)	65
Tax charge/(credit)	(105)	(331)
Amortisation and impairment of intangible assets	29	1,270
Share based payments	28	231
Depreciation and impairment of property, plant and equipment	730	7,559
Loss on disposal of property, plant and equipment	-	240
Impairment of inventories (including DHSC)	-	9,676
Changes in working capital:		
Decrease/(increase) in inventories	205	(2,322)
Decrease in trade and other receivables	6,647	2,134
(Decrease) in trade and other payables	(3,180)	(5,170)
Cash generated from/(used in) operations	634	(8,150)
Interest paid (including leases)	(48)	(58)
Income taxes received	325	323
Insurance claim proceeds	2	146
Net cash inflow / (outflow) from operating activities	913	(7,739)
Interest received	89	4
Purchase of intangible assets	(82)	(78)
Purchase of property, plant and equipment	(75)	(682)
Proceeds on disposal of property, plant and equipment	1	-
Net cash used in investing activities	(68)	(756)

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2022

	30 June 2023 £'000	30 June 2022 £'000
Financing activities		
Proceeds from issue of own shares (net of costs *)	-	6,136
Cash withheld for SAYE scheme	(1)	(7)
Proceeds from new bank loans and borrowings	250	167
Payment of loans	(115)	(125)
Payment of lease obligations	(141)	(144)
Payment on settlement of accrued lease obligations	-	(112)
Net cash (used in)/generated from financing	(7)	5,915
Net increase/(decrease) in cash and cash equivalents	839	(2,580)
Cash and cash equivalents at beginning of the year	2,397	4,977
Cash and cash equivalents at end of the year	3,236	2,397
Recognised in the Statement of Financial Position as:		
Cash at bank and in hand	3,236	2,397
Overdrafts	-	-
	3,236	2,397

* Net of costs of £nil (2022 - £364,000) set against the share premium account only.

The notes on pages 40 to 79 form part of these financial statements.

Abingdon Health PLC

Note to the Cash Flow Statement

			Non-cash movements				
	1 July 2021	Cashflows	Lease disposal	Debt for equity	Transfer	Accrued interest	**30 June 2022**
Short term borrowings	125	(125)	-	-	99	16	115
Long term borrowings	367	167	-	-	(99)	-	435
Lease liabilities	1,003	(192)	(81)	-	-	-	730
Long-term debt	1,495	(150)	(81)	-	-	16	1,280

	1 July 2022	Cashflows	Lease Modification	Debt for equity	Transfer	Accrued interest	**30 June 2023**
Short term borrowings	115	(115)	-	-	-	-	-
Long term borrowings	435	250	-	-	-	23	708
Lease liabilities	730	(141)	(305)	-	-	27	311
Long-term debt	1,280	(6)	(305)			50	1,019

The notes on pages 40 to 79 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1. Accounting policies

Company information
Abingdon Health PLC ("the Company") is a public limited company domiciled and incorporated in England and Wales. The Company is quoted on the London Stock Exchange's Alternative Investment Market ("AIM"). The registered office is York Biotech Campus, Sand Hutton, York, YO41 1LZ. The consolidated financial information (or "financial statements") incorporates the financial information of the Company and entities (its subsidiaries) controlled by the Company (collectively comprising the "Group").

The principal activity of the Group is to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

1.1 Accounting convention

The Group financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") in conformity with the requirements of the Companies Act 2006.

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under this it has taken advantage of the following disclosure exemptions:

(a) the requirements of IFRS 7 Financial Instruments: Disclosure, on the grounds that equivalent disclosures for financial instruments are presented in the group accounts of Abingdon Health PLC;
(b) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows;
(c) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions and balances between two or more members of a group;
(d) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations', for which equivalent disclosures are included in the group accounts of Abingdon Health PLC;
(e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'; and
(iii) paragraph 118(e) of IAS 38 'Intangible Assets'.
(f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 'Presentation of Financial Statements; and
(g) the requirements of 'paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'.

The financial statements are prepared in pounds sterling, which is the functional currency of the parent Company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the year was £4,879,533 (2022 - loss: £22,126,525).

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Accounting convention (continued)

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

1.2 Basis of consolidation

The Group financial information consolidates those of the Company and the subsidiaries that the Company controls, and incorporates the results, assets, liabilities, and cash flows of the company and each of its subsidiaries for the financial year ended 30 June 2023. Subsidiaries are entities controlled by the Group; the Group controls an entity if and only if the Group has all of the following elements:

- power over the entity, i.e., the Group has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the entity's returns);
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Groups returns.

Where a subsidiary undertaking is acquired/disposed of during the year, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

All inter-company balances and transactions between group companies have been eliminated on consolidation. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

The Group applies the acquisition method of accounting for business combinations enacted after the date of creation of the Group following incorporation of Abingdon Health PLC, as detailed further below. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial information prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e., gain on a bargain purchase) is recognised in profit or loss immediately.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.3 Going concern

Since the end of the last financial year, the monies were received from the DHSC, and outstanding liabilities in relation to the DHSC were all settled. To reduce the cashburn of the group, the management team undertook a restructuring of the group to reduce headcount and operational infrastructure in line with the anticipated revenue generating activities. As part of this exercise the group focused its commercial activities in its CRO/CDMO model and specifically moved away from COVID-19 projects towards a broader lateral flow contract proposition. The impact of this restructuring has been a significant increase in the number of contract service customers combined with a reduced operational cost base which has led to a reduction in the groups cashburn. As discussed in the Strategic Report, this model is continuing to progress well and the group has

1.3 Going concern (continued)

sufficient visibility of commercial opportunities to give confidence in the pipeline revenue and the base model in the financial forecasts.

The Directors have prepared cash flow forecasts under a number of scenarios, that being the budget, sensitised to increase costs in areas such as headcount and additional inflationary pressure, and also other plausible downside scenarios including little to no growth in revenues for the next fiscal year. These forecasts cover a period of at least 12 months from the expected date of approval of the financial statements and the Business continues to evaluate financial forecasts on a regular basis. The models are underpinned by a high percentage of forecast revenues up to December 2024 being based on committed milestone-based contracts. The focus of the group remains on expanding its fee for service CRO/CDMO model and any increase in headcount and/or operational footprint will be on the basis of an increase in the number of secured contracts, revenue and cash inflows. At 30 June 2023 the bank balance was £3.2m. Cash burn on a monthly basis continues to reduce. The Board is satisfied that based on the above and the current forecasts, there is sufficient headroom and concluded that it is appropriate to prepare the Annual Report and Accounts on a going concern basis.

1.4 Revenue

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Product sales and Contract Manufacturing
Goods are supplied under contracts where the key performance criteria for the Group are the manufacturing and delivery of the products. The fair value of the revenue, being the price per unit net of volume discounts and sales taxes, are recognised as revenue at the point of transfer of control to the customer, which is typically on dispatch from the Group's premises. Product sales include a range of rights to return, which are accrued as appropriate where expected to be utilised by the customer.

Contract Development
Contract Development services typically represent a rate for a period of work with demonstrable milestones. Where milestones are met, these will typically trigger an additional stage of work, or alternatively will become a stop point for the contract. This milestone is the risk of the end customer. The Group therefore breaks down these milestone payments and recognises revenue over time based on a proportion of completion basis, using its judgement as to the stage of completion of the contract through to the point of completion of that milestone.

Although Contract Development services typically cover a period of several weeks or months, the pricing of this is typically set on a day rate as opposed to any milestone or percentage of completion approach. As such, the performance obligations are considered to be availability of staff to fulfil each day's work, as opposed to the overall contract qualifying as a long-term contract.

Revenues are therefore recognised at a point in time on the day that each unit of contract development is provided, or the day that a member of staff have been utilised, at the day rate agreed on that particular contract. Where contracts include significant uncertainties as to the technical feasibility of outcome, the revenue recognition is deferred until such time as the Group has reasonable certainty as to the likely success of the development work. As the contracts typically involve the transfer of knowledge, and as any intellectual property created is owned by the customer, the Directors do not consider that there is any deferred element to the provision of staff.

A contract liability does, however, arise where services are invoiced in advance of performance, or where a customer makes payment in advance of an invoice being raised and work being performed. The amount is released to the profit or loss in subsequent periods in reference to utilisation of staff at the prevailing day rate. A contract receivable arises where services are performed, and a sales invoice is not raised before the reporting period end.

1.5 Research and development expenditure credits

Where the Group receives research and development expenditure credits ("RDEC") the account for these as government grant income within operating income as it more closely aligns with grant income as opposed to a taxation credit. The income is recognised on the performance model under IAS 20 'Accounting for Government Grants and Disclosures'.

1.6 Inventory

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

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

In addition to the above there was a specific transaction in the prior year relating to the DHSC contract. Further details are provided in note 16.

1.7 Intangible fixed assets – goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable and separately recognised. See note 13 for information on how goodwill is initially determined. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed annually for indications of impairment. See note 13 for a description of impairment testing procedures.

Impairment losses are immediately recognised in profit or loss and are not subsequently reversed. Tests have been undertaken using commercial judgements and a number of assumptions and estimates have been made to support the carrying amount, assessed against discounted cash flows.

1.8 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost. Where intangible assets are acquired as part of a business combination, cost is determined by reference to a fair value estimation technique as disclosed further in note 2. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

The amortisation period and the amortisation method for intangible assets with a finite useful life is reviewed each financial period-end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. Useful lives are typically amortised on the following basis:

Patents and Trademarks	10% straight line
Website Costs	20%-25% straight line
Development Costs	10% straight line / length of associated commercial contract *

* The contract that development costs related to was terminated in the prior year via a settlement agreement, the remaining development costs associated with this contract were impaired in full in the prior year.

1.8 Intangible fixed assets other than goodwill (continued)

Research expenditure is written off against profits in the year in which it is incurred. Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation detailed above are expensed as incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than directors) costs incurred on development and directly attributable overheads. The costs of internally generated software developments are recognised as intangible assets.

Capitalised development costs are amortised over a period which is usually no more than five years. Amortisation commences once an asset is available for use, in line with IAS38.

1.9 Property, plant and equipment

Property, plant and equipment are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs 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.

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	20%-33% straight line
Office equipment	33% straight line
Leasehold improvements	Life of the lease

Assets under construction are capitalised at cost within the appropriate category as described above, but are not depreciated until completed and brought into use.

The residual value and the useful life of an asset are reviewed at least at each financial period-end and if expectations differ from previous estimates, the changes are accounted for prospectively.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in profit or loss.

1.10 Non-current investments

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

Entities in which the Group has an investment and does not have significant control over are classified as non-current investments and carried at fair value through profit and loss.

1.11 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value. This present value is discounted using a pre-tax rate that reflects current market assessments of the time value of money and of the risks specific to the asset for which future cash flow estimates have not been adjusted. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

1.12 Financial instruments

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, short term overdrafts, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets
Financial assets are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets. At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

1.12 Financial instruments (continued)

Financial assets held at amortised cost
Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g., trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment if necessary.

This category applies to trade and other receivables due from customers in the normal course of business. Trade and other receivables are initially recorded at fair value and thereafter are measured at amortised cost using the effective interest rate.

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

(i) the asset is held within a business model with the objective of collecting the contractual cash flows; and
(ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at fair value through other comprehensive income
Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Impairment of financial assets
Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

The Group applies a forward-looking model of IFRS 9 to create an estimation of the expected credit losses arising in the next year on its financial assets, using an expectation derived from historical irrecoverable percentages as adjusted for predicted credit risk adjustments arising through forecast market changes.

If an asset is impaired, the impairment loss is the difference between the carrying value and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities
The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

1.12 Financial instruments (continued)

Financial liabilities at fair value through profit or loss
Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities
Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.13 Equity instruments

Share capital represents the nominal value of shares that have been issued.

Share premium represents the excess consideration received over share capital upon the sale of shares, less any incidental costs of issue.

Share based payment reserve relates to amounts recognised at the fair value of share options in accordance with IFRS 2.

Retained earnings include all current and prior period retained profits.

The non-controlling interest represents the portion of equity ownership in subsidiaries which is not attributable to the owners of the Company.

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

The fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 26.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax, and excludes amounts recognised in respect of RDEC income as explained in note 1.5.

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

Deferred tax
Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities, calculated on an undiscounted basis, are offset only when there is a legally enforceable right to set off current tax amounts and when they relate to the same tax authority and the Group intends to settle its current tax amounts on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax are recognised in the profit or loss except when they relate to items recognised directly in equity, when they are similarly taken to equity.

1.15 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the scheme for the year.

1.18 Share-based payment

The fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. Full disclosure of the calculation models is given in note 26.

All equity-settled share-based payments are ultimately recognised as an expense in the profit or loss with a corresponding credit to "Share based payment reserve". If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

1.19 Leases

Under IFRS 16, leases are accounted for on the right of use model. At inception, the Company assesses whether a contract contains a lease. This assessment involved the exercise of judgement about whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Group identifies a lease as follows:

- At inception of a contact the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether:

i) the contract involves the sole use of a specific identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
ii) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
iii) the Group has the right to direct the use of the asset.

- As a lessee the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate relevant to the asset.

1.19 Leases (continued)

The lessee uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise fixed payments. The Group does not make other types of payment referred to in IFRS 16 for its leases.

Generally, the lease liability represents the present value of contractual future lease payments including optional renewal periods where the Group is reasonably certain to exercise the extension option. The Group does not typically enter into purchase options or variable lease payments.

The lease liability is measured at amortised cost using the effective interest method. The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and discloses the corresponding "Lease liability" in the statement of financial position. Short-term leases and leases of low-value assets The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets which it defines as having a purchase cost of £5,000. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.20 Government grants and other government assistance

Government grants shall be recognised when there is reasonable assurance that:

(a) the entity will comply with the conditions attaching to them; and
(b) the grants will be received.

Grants related to income are presented as part of profit or loss and are deducted in reporting the related expense. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as an expense the related costs for which the grants are intended to compensate.

1.21 Non-recurring income and costs

The Group seeks to highlight certain items as exceptional operating income or costs. These are considered to be exceptional in size, frequency and/or nature rather than indicative of the underlying day to day trading of the Group. These may include items such as acquisition costs, restructuring costs, obsolescence costs, employee exit and transition costs, legal costs, profits or losses on the disposal of subsidiaries, and loan impairments. All of these items are charged or credited before calculating operating profit or loss.

The Directors apply judgement in assessing the particular items, which by virtue of their size and nature are disclosed separately in the Statement of Comprehensive Income and the notes to the financial statements as non-recurring income and costs. The Directors believe that the separate disclosure of these items is relevant to understanding the Group's financial performance.

1.22 Standards, amendments & interpretations in issue and adopted for the first time

The current standards, amendments and interpretations have been adopted in the year and have not had a material impact on the reported results in the Group's financial statements:

- Annual improvements to IFRS 2018 - 2020.
- Onerous Contracts – costs of fulfilling a contract (Amendments to IAS 37).
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16).
- Reference to the Conceptual Framework (Amendments to IFRS 3).

At the authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet.

	Effective date – period beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements • Non-current liabilities with Covenants • Deferral of Effective Date Amendment (published 15 July 2020) • Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024*
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023
IFRS 17 Insurance Contracts, Amendments to IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of an Accounting Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)	1 January 2023

* These standards, amendments and interpretations have not yet been endorsed by the UK standards board and the dates shown are the expected dates. The adoption of all above standards is not expected to have any impact on the Group's financial statements.

2. Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Right of use asset recognition
Management have assessed each lease liability for recognition under IFRS 16 and recognised a right of use asset where appropriate. Further explanation of this judgement is provided in note 1.19.

One lease includes a material component of service charge by comparison to the headline rental payments, where this service charge partially covers shared areas and facilities which would normally form part of a rental price. The Directors have applied judgement in splitting this service charge into rent-like components of £24,000 per annum (which qualify for capitalisation as a right of use asset), utility fees of £104,000 per annum, and ongoing shared costs of £72,000 per annum (which the latter two do not qualify for capitalisation as a right of use asset, nor recognition as a lease liability). The lease runs for a 7-year term and the total value of rent-like components capitalised (prior to amortisation) is £161,000.

Revenue recognition
In line with IFRS 15 management are required to determine appropriate revenue recognition points for all revenue streams. Where multiple contracts are entered into with a single counterparty any instalment payments are not considered to be a key indicator of the satisfaction of a performance obligation, although linked contracts with a counterparty are considered in conjunction when identifying the appropriate point for revenue recognition.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation and impairment of cash generating units (including goodwill)
Goodwill is tested annually for impairment as part of a cash generating unit ("CGU"). The test considers future cash flow projections of each CGU on a group basis, as the group as a whole is considered to be a single CGU. In the current year, two tests have been performed, a discounted cash flow model and a value-in-use model, which have both approximated to the same value.

Where the discounted cash flows are less than the carrying value of the CGU, an impairment charge is recognised for the difference, which for the prior year is shown in note 5. Further analysis of the estimates, judgements and sensitivities in the estimates are disclosed in note 13.

Share based payments
The determination of the fair values of EMI and SAYE options has been made by reference to the Black-Scholes model with the inputs set out in note 26.

3. Revenue

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors.

The Group has operating segments:

- Contract Development: this comprises milestone-based development work for third parties and is recognised over time based on a proportion of completion.
- Contract Manufacturing: this comprises contract development and manufacturing activities. Revenues from this typically arise based on a daily consultancy as opposed to a long-term contract and as such revenue is typically recognised on the day of completion of each element of contract work. This is recognised over time, although based on defined and short periods of services being provided.
- Product Sales: this comprises the sale of AbC-19™, Pocket Diagnostic products, PCRD tests and antibodies for research use, and associated carriage income. This is recognised at a point in time.

Due to the specific nature of the Group's market, each component of revenue naturally falls within one of these segments. The operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. All assets, liabilities and revenues are located in, or derived in, the United Kingdom.

Margins, overheads and balance sheet items are not broken down into the operating segments but are reviewed on a consolidated basis as presented in the Consolidated Income Statement. Accordingly no analysis of costs by division is presented on the grounds that the Group does not collate or record information on a segmental basis and as such any split would be based on arbitrary allocations.

In 2023 there were three major clients that individually accounted for at least 10% of total revenues (2022: three clients). The revenues relating to these clients in 2023 was £1.97m (2022: £1.48m). These clients include £0.14m (2022: £0.74m) in the Contract development segment and £1.83m (2022: £0.74m) in the product sales segment.

Segmental analysis of revenue *(and goodwill CGU if applicable, see note 13)*

	2023 £'000	2022 £'000
Product sales	418	465
Contract manufacturing	1,059	1,124
Contract development	2,301	1,246
Regulatory	268	-
Total revenue from contracts with customers	4,045	2,835

Revenue analysed by geographical market

	2023 £'000	2022 £'000
United Kingdom	1,307	1,417
Europe (excluding Belgium)	1,179	334
Belgium	479	738
USA & Canada	861	182
Rest of the World	219	164
	4,045	2,835

All revenue received in the current and comparative years has been recognised at a point in time in accordance with the Group's revenue recognition policy as detailed in note 1.4 and above.

3. Revenue (continued)

Assets and liabilities related to contracts with customers:

The Group has recognised the following assets and liabilities related to contracts with customers:

Contract assets	**2023 £'000**	**2022 £'000**
At 1 July	27	26
Transfers in the year from contract assets to trade receivables	(27)	(26)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	208	27
At 30 June	208	27

Contract liabilities	**2023 £'000**	**2022 £'000**
At 1 July	100	5,364
Amounts included in contract liabilities that was recognised as revenue during the year	-	-
Amount not subsequently recognised as revenue	(100)	(5,364)
Cash received in advance of performance and not recognised as revenue during the year	50	100
At 30 June	50	100

Contract assets and contract liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the statement of financial position. They arise from the Group's contracts because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

4. Other income

Other income	**2023 £'000**	**2022 £'000**
Research and development expenditure credit	251	92
Grant income	-	1
Insurance claim income	2	147
	252	240

Grant income represents £nil (2022 - £1,407) in relation to Innovate UK and £nil (2022 - £nil) in relation to Coronavirus Job Retention Scheme.

5. Operating costs

	2023 £'000	2022 £'000
Operating loss for the year is stated after charging:		
Depreciation of owned property, plant and equipment	607	1,275
Depreciation of property, plant and equipment held under leases	36	241
Impairment of tangible assets	86	6,043
Cost of inventories recognised as an expense	876	633
Impairment of inventories (excluding DHSC inventories impairment - see note 16)	-	4,140
Short term and low value lease rentals	-	17
Research costs expensed	-	182
Non-recurring legal, professional and fundraising fees	33	688
Non-recurring redundancy costs	162	198
Other exceptional costs relating to DHSC settlement (note 16)	-	1,585
Other exceptional costs	88	-
Amortisation of intangible assets	29	121
Impairment of intangible assets	-	1,149

Research costs expensed excludes normal remuneration paid to employees.

Included within administrative expenses are impairment charges (other than inventories, which are shown above) as follows:

	2023 £'000	2022 £'000
Impairment of R&D intangible assets (note 13)	-	296
Impairment of goodwill (note 13)	-	763
Impairment of other intangible assets (note 13)	-	90
Impairment of tangible assets (note 14)	86	6,043
	86	7,192

The impairment of intangible assets charge and tangible assets charge is explained further below, and in note 13 and note 14 respectively.

The impairment of inventories represents a provision for irrecoverability where inventories are approaching expiry date, and there is a limited expected market for sale.

Included before operating profit are non-recurring expenses as follows:

- Non-recurring legal fees – these are costs relating to the Group's legal action with various third parties as a result of circumstances outside of the Group's control.
- Non-recurring employee redundancy costs, where these relate to redundancies linked to the non-renewal and non-payment of the DHSC contract.
- Non-recurring other exceptional items relating to a irrecoverable trade receivable.

The Directors have adjusted these items, and others, as part of the use of an Alternative Performance Measure. Further details are provided in note 12.

5. Operating costs (continued)

Impairment on non-current assets – Group

In the prior year an impairment review was undertaken comparing the projected results of the Group to the carrying value of its property, plant and equipment, which is considered to form a single cash generating unit ("CGU") for impairment testing purposes. This identified that an impairment of non-current assets was required. The impairment was charged first to goodwill to eliminate this, with the remainder of the charge allocated first to reduce the value of right of use assets and leasehold improvements to a fixed level, and then pro-rated across all other assets, excluding new intangible assets in two subsidiaries.

The impairment of tangible assets in the current year relates to recognition of a right of use asset on a lease modification that has subsequently been impaired to the net book value prior to modification.

Impairment – Company

Included within administrative expenses for the Company are impairment charges as follows:

	2023 £'000	2022 £'000
Impairment of R&D intangible assets (note 13)	-	296
Impairment of other intangible assets (note 13)	-	89
Impairment of tangible assets (note 14)	86	2,719
Impairment of investment in Forsite Diagnostics Ltd (note 15)	9	686
Impairment of receivable due from Forsite Diagnostics Ltd (note 17)	2,532	12,278
Impairment of receivables due from other subsidiaries (note 17)	196	130
	2,823	16,201

The Company's impairment allocation for non-current assets in the prior year followed a similar allocation process as that noted above for the Group, with cashflows adjusted to reflect the share of cashflows expected to be generated by Forsite Diagnostics Limited after adjustment for the share of certain asset costs between the companies.

In addition to this, the Company recognised a provision in full against all intercompany receivables, and provided against the investment in Forsite Diagnostics Limited in full. In the current year any additions to investments or intercompany balances have been impaired in full.

6. Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	101	79
For non-audit services		
Other services	3	3

7. Employees

Group

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2023 Number	2022 Number
Production	48	86
Research	13	17
Management and administration	21	27
	82	130

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	3,443	4,614
Social security costs	348	486
Pension costs	136	205
Share based payment expense	28	231
	3,955	5,536

Details of Directors' remuneration are provided in note 28.

Of the above remuneration totals, £162,000 (2022 - £198,000) of costs have been recognised within non-recurring redundancy costs as opposed to within cost of sales or administrative expenses. This represents £140,000 (2022 - £182,000) of wages and salaries, and £22,000 (2022 - £16,000) of social security costs.

Company

The average monthly number of persons (including Directors) employed by the Company during the year was:

	2023 Number	2022 Number
Production	4	7
Research	2	4
Management and administration	19	23
	24	34

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	641	452
Social security costs	190	262
Pension costs	72	110
Share based payment expense	19	87
	952	911

8. Finance income

	2023 £'000	2022 £'000
Interest income		
Bank interest receivable	89	4
	89	4

9. Finance costs

	2023 £'000	2022 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on loans	46	29
Interest on leases	26	40
Total finance costs	72	69

10. Taxation

	2023 £'000	2022 £'000
Current tax		
UK Corporation tax on profits for the current year	46	-
Adjustments in respect of prior years	(151)	(331)
Total current tax	(105)	(331)
Deferred tax		
Origination and reversal of temporary differences	-	-
Impact of change in tax rates	-	-
Total deferred tax	-	-
Total tax charge/(credit)	(105)	(331)

The charge for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	2023 £'000	2022 £'000
(Loss) before taxation	(3,608)	(21,593)
Expected tax (credit)/charge based on a corporation tax rate of 20.5% (2022 - 19%)	(740)	(4,103)
Tax effect of expenses that are not deductible in determining taxable profit	(55)	717
Depreciation on assets not qualifying for tax allowances	-	316
Change in unrecognised deferred tax asset	851	3,072
Timing differences between depreciation and capital allowances	(5)	-
Share based payments	6	44
Prior year adjustment	(151)	(331)
Research and development	(20)	-
Tax movement on provisions	(5)	-
Other differences	14	(46)
Total tax charge/(credit)	(105)	(331)

10. Taxation (continued)

The UK corporation tax rate was 19% until 1 April 2023 when it increased to 25%, giving a hybrid tax rate of 20.5% for the year.

Deferred tax balances at the reporting date are measured at 25%, which is the effective rate in place (2021: 25%; 2020: 19%).

11. Dividends

No dividends were paid in the current or prior year.

12. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2023	2022
Earnings used in calculation (£'000)	(3,451)	(21,262)
Weighted average number of ordinary shares	304,033,363	291,622,638
Basic EPS (pence/share)	(1.14)	(7.29)
Weighted average number of dilutable shares	305,820,420	291,622,638
Diluted EPS (pence/share)	(1.14)	(7.29)

The diluted EPS is the same as the Basic EPS as there is a loss for each of the periods concerned.

In each period there were share options outstanding. As at 30 June 2023, options which are out of the money are excluded from the calculation of the weighted average number of dilutable shares.

The Directors use adjusted earnings before certain non-recurring costs ("Adjusted Earnings") as a measure of ongoing performance and profitability. These non-recurring costs are presented as separate items on the face of the Consolidated Income Statement.

The calculated Adjusted Earnings for the current and comparative periods are as follows:

	2023 £'000	2022 £'000
Loss before taxation attributable to equity owners of the Parent	(3,556)	(21,593)
Share-based payment costs	28	231
Impairment charges	86	7,192
Non-recurring legal fees	33	688
Non-recurring employee redundancy costs	162	198
Exceptional costs relating to settlement of DHSC contract (see note 16)	-	1,585
Depreciation and amortisation	672	1,637
Net finance (income) / cost	(17)	65
Lease modification	(390)	-
Other exceptional costs	88	-
Adjusted Earnings	(2,894)	(9,997)
Basic and diluted Adjusted Earnings per share (pence/share)	(0.95)	(3.43)

The calculation of Adjusted Earnings is consistent with the presentation of Adjusted Earnings before Interest, Tax, Depreciation, and Amortisation, as presented on the face of the Statement of Comprehensive Income. This adjusted element also removes non-recurring items, as explained further in note 5. The Directors have presented this Alternative Performance Measure ("APM") because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business (most notably its admission to AIM and associated costs), and will allow an

12. Earnings per share (continued)

ongoing trend analysis of this performance based on current plans for the business. Tax is excluded from this APM because the Group has significant tax losses and so the tax charge is not representative of the cash generated.

13. Goodwill and other intangible assets

Group	Goodwill £'000	Patents and trademarks £'000	Website £'000	Development costs £'000	Total £'000
Cost					
At 1 July 2021	3,888	36	161	1,836	5,921
Additions - separately acquired	-	14	64	-	78
At 30 June 2022	3,888	50	225	1,836	5,999
Additions - separately acquired	-	78	5	-	83
As 30 June 2023	3,888	128	230	1,836	6,082
Amortisation and impairment					
At 1 July 2021	3,125	27	94	1,447	4,693
Amortisation charged for the year	-	4	24	93	121
Impairment	763	4	86	296	1,149
At 30 June 2022	3,888	35	204	1,836	5,963
Amortisation charged for the year	-	20	9	-	29
At 30 June 2023	3,888	55	213	1,836	5,992
Carrying amount					
At 30 June 2023	-	73	17	-	90
At 30 June 2022	-	15	21	-	36
At 1 July 2021	763	9	67	389	1,228

Internally generated development costs represents the Group's cost of staff, materials and certain overhead costs incurred in developing proprietary technology for use in delivering a commercial contract in place until 2025. However, following cessation of this contract the Directors have fully impaired all remaining value associated with this intangible asset in the prior year.

The Group tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. As the goodwill was fully impaired in the prior year an impairment test is not required in respect of the goodwill. Given the continued losses of the Group an impairment test has been performed in respect of the other non-current assets held.

The impairment test has been performed based on a value in use calculation using cash flow projections based on the actual results for the year ended 30 June 2023 and the detailed financial forecasts prepared by the Board covering the period to 30 June 2026, based on the expectations of management for key elements of the Group's revenue streams. Further assumptions have been made in respect of revenue and costs up to the year ending 30 June 2033.

Thereafter, a growth rate to terminal value of 2% (2022 - 3%) has been used along with a post-tax discount rate of 23.0% (2022 - 23.7%).

13. Goodwill and other intangible assets (continued)

This impairment test showed no further impairments were required to non-current assets. Sensitivities have been performed and these show no material adjustments would be required to carrying values of non-current assets.

Company

	Goodwill £'000	Lease Costs £'000	Website £'000	Development costs £'000	Total £'000
Cost					
At 1 July 2021	145	12	157	419	733
Additions - separately acquired	-	-	64	-	64
At 30 June 2022	145	12	221	419	797
Additions – separately acquired	-	-	5	-	5
As 30 June 2023	145	12	226	419	802
Amortisation and impairment					
At 1 July 2021	145	7	90	30	272
Amortisation charged for the year	-	2	24	93	119
Impairments	-	3	86	296	385
At 30 June 2022	145	12	200	419	776
Amortisation charged for the year	-	-	8	-	8
At 30 June 2023	145	12	208	419	784
Carrying amount					
At 30 June 2023	-	-	18	-	18
At 30 June 2022	-	-	21	-	21
At 1 July 2021	-	5	67	389	462

In the prior year, following the ongoing results of the business and reduced projections for future activity as a result of the cancellation of the DHSC contract, the Directors have compared the projected results of the Group to the carrying value of its property, plant and equipment, which is considered to form a single cash generating unit ("CGU") for impairment testing purposes. As such, an impairment has been recognised in the prior year against lease costs, website and development costs shown above.

14. Property, plant and equipment

Group	Improvements to leasehold property £'000	Plant and machinery £'000	Office equipment £'000	Right of use asset £'000	Total £'000
Cost					
At 1 July 2021	3,454	6,044	238	1,530	11,266
Additions - acquired	167	385	11	-	563
Additions- purchased from lease contract	-	131	-	(225)	(94)
Disposals	-	(327)	(32)	(44)	(403)
At 30 June 2022	3,621	6,233	217	1,261	11,332
Additions – acquired	37	38	1	-	76
Disposals	(14)	(4)	-	-	(18)
Modification	-	-	-	(832)	(832)
At 30 June 2023	3,644	6,267	218	429	10,558
Depreciation and impairment					
At 1 July 2021	151	1,270	136	668	2,225
Depreciation charged	579	650	46	241	1,516
Impairments	2,023	3,581	56	383	6,043
Eliminated on lease acquisition	-	-	-	(153)	(153)
Eliminated in respect of disposals	-	-	(32)	(44)	(76)
At 30 June 2022	2,753	5,501	206	1,095	9,555
Depreciation charged	196	404	8	36	644
Impairments	-	-	-	86	86
Eliminated in respect of disposals	(14)	(4)	-	-	(18)
Modification	-	-	-	(918)	(918)
At 30 June 2023	2,935	5,901	214	299	9,349
Carrying amount					
At 30 June 2023	709	366	4	130	1,209
At 30 June 2022	868	732	11	166	1,777
At 1 July 2021	3,303	4,774	102	862	9,041

The Group's property, plant and equipment has taken a share of the impairment charge in the prior year.

Included within improvements to leasehold properties are assets under construction with value £3,858 (2022 - £337,060), and within plant & machinery are assets under construction with value £29,262 (2022 - £2,487,632). The assets are not depreciated until brought into use.

Included within Plant & Machinery additions for the current year are additions of £nil (2022 - £131,000) of assets acquired through an early settlement of leases, reflecting the disposals shown above. The corresponding gain on release of associated lease liabilities is recognised within the Income Statement in the prior year.

During the year, as part of the business cost reduction programme, certain property leases were renegotiated to reduce the space and extend terms. This led to a net gain of £390,383 being recognised in the statement of comprehensive income. A subsequent impairment of £85,839 was booked to reduce the right of use asset on the revised lease back to its recoverable amount.

14. Property, plant and equipment (continued)

Company

	Improvements to leasehold property £'000	Plant and machinery £'000	Office equipment £'000	Right of use asset £'000	Total £'000
Cost					
At 1 July 2021	3,452	219	192	1,530	5,393
Additions - acquired	167	4	17	-	188
Additions - purchased from lease contract	-	131	-	(225)	(94)
Disposals	(14)	-	(32)	(44)	(90)
At 30 June 2022	3,605	354	177	1,261	5,397
Additions - purchased from lease contract	37	2	1	-	40
Disposals	(14)	-	(1)	-	(15)
Modification	-	-	-	(832)	(832)
At 30 June 2023	3,628	356	177	429	4,590
Depreciation and impairment					
At 1 July 2021	144	55	90	668	957
Depreciation charged	579	42	46	241	908
Impairments	2,023	257	56	383	2,719
Eliminated on lease acquisition	-	-	-	(151)	(151)
Eliminated in respect of disposals	(9)	-	(26)	(46)	(81)
At 30 June 2022	2,737	354	166	1,095	4,352
Depreciation charged	196	-	8	36	240
Impairments	-	-	-	86	86
Modification	-	-	-	(918)	(918)
Eliminated in respect of disposals	(14)	-	-	-	(14)
At 30 June 2023	2,919	354	174	299	3,746
Carrying amount					
At 30 June 2023	709	2	4	129	844
At 30 June 2022	868	-	11	166	1,045
At 1 July 2021	3,308	164	102	862	4,436

The Company's property, plant and equipment has taken a share of the impairment charge in the prior year.

15. Investments

Group

	2023 £'000	2022 £'000
Other investments	-	-
	-	-

Company

	2023 £'000	2022 £'000
Investments in subsidiaries	-	-
	-	-

Movements in investment Group	**Other investments £'000**	**Total £'000**
Share of net assets		
At 1 July 2021 & 30 June 2022	167	167
Transfers	-	-
At 30 June 2023	167	167
Impairment		
At 1 July 2021 & 30 June 2022	167	167
Transferred during the year	-	-
At 30 June 2023	167	167
Carrying amount		
At 30 June 2023	-	-
At 30 June 2022	-	-

Other investments represents a minority interest holding in Linear Diagnostics Limited. In accordance with IFRS 9 'Financial Instruments', the Group has designated this investment at fair value through profit and loss. There is no readily available observable market value in accordance with IFRS 13 'Fair Value Measurement'. As the company incurs losses and has significant net liabilities, the Directors consider that its fair value is £nil.

15. Investments (continued)

Details of subsidiaries are included in note 31.

Movements in investments Company	**Equity investments in subsidiaries £'000**	**Investments in associates £'000**	**Other investments £'000**	**Total £'000**
Cost or valuation				
At 1 July 2021	6,362	-	167	6,529
Additions (in respect of share-based payments)	144	-	-	144
Transfers	-	-	-	-
At 30 June 2022	6,506	-	167	6,673
Additions (in respect of share-based payments)	9	-	-	9
Transfers	-	-	-	-
At 30 June 2023	6,515	-	167	6,682
Impairment				
At 1 July 2021	5,820	-	167	5,987
Provision for impairment	686	-	-	686
Transfers	-	-	-	-
At 30 June 2022	6,506	-	167	6,673
Provision for impairment	9	-	-	9
Transfers	-	-	-	-
At 30 June 2023	6,515	-	167	6,682
Carrying amount				
At 30 June 2023	-	-	-	-
At 30 June 2022	-	-	-	-
At 30 June 2021	542	-	-	542

16. Impact of Department of Health and Social Care ("DHSC") Contract on the Income Statement ("IS") and the Statement of Financial Position ("SFP")

Following the long-standing dispute between the Company and DHSC, which was disclosed in note 16 to the prior year's financial statements, the Company and DHSC signed a settlement agreement in June 2022. This resulted in the full and final payment of monies owed to the Company on 7 July 2022.

However, the settlement included a number of adjustments to the outstanding monies owed to the Company. All such adjustments have been recognised within the prior year's financial statements as follows:

Description of adjustment	Location in financial statements	IS Amount 2022 £'000
Acquisition and impairment of inventories	Exceptional costs - DHSC	(5,536)
Relinquishing of payable to DHSC for components	Exceptional costs - DHSC	4,579
Credit loss arising on the outstanding receivable from DHSC	Exceptional costs - DHSC	(600)
Cancellation of accrued royalty payments	Exceptional costs - DHSC	6
Interest received on overdue payment	Exceptional costs - DHSC	168
Other legal fees (see below)	Exceptional costs - DHSC	(202)
Net (expense) to IS		(1,585)

Other legal fees include significant legal costs in defending the Company's position totalling £nil (2022: £202,000), which have also been recognised within exceptional costs relating to the DHSC contract.

Following the adjustments described above, the Company has the following inclusions on its SFP as at the prior year end in relation to DHSC:

Group	2023 £'000	2022 £'000
Inventories	-	-
Trade receivables (inclusive of VAT but after irrecoverable amounts described in note 18)	-	6,266
Contract liability	-	-
Net impact on SFP	-	6,266

The total net exposure was received in cash on 7 July 2022. The Company does not believe it has any further exposure to future costs or risks associated with this contract.

17. Inventories

Group	2023 £'000	2022 £'000
Raw materials	72	315
Works in progress	163	170
Finished goods	94	49
	329	534

Company	2023 £'000	2022 £'000
Finished goods	49	-

17. Inventories (continued)

Inventories comprise of products, which are not generally subject to rapid obsolescence on account of technological, deterioration in condition or market trends. Consequently, management considers that there is little risk of significant adjustments to the company's inventory assets within the next financial year.

The Group has recognised a total provision of £25,100 (2022 - £9,258,342) against its inventories. The prior year provision included £4,778,493 relating to raw materials and work in progress under a contract between Abingdon and the Department of Health and Social Care ("DHSC")). During the year a substantial amount of this stock has been disposed of and the inventory balance and associated provision utilised.

18. Trade and other receivables

Group	**2023**	**2022**
Current:	**£'000**	**£'000**
Trade receivables – DHSC (note 16)	-	6,266
Trade receivables – other	491	384
Trade receivables - total	491	6,650
Payments on account	-	-
VAT receivable	49	700
Other receivables and prepayments	399	468
Contract receivable	208	26
	1,147	7,844

Trade receivables are stated net of impairment for estimated irrecoverable amounts of £22,755 (2022 - £2,189,740), being the DHSC contract described in note 16 of £nil (2022 - £2,181,340) and other trade receivables of £22,755 (2022 - £8,400). This impairment has been determined by reference to past default experience and known issues. Write offs are made when the irrecoverable amount becomes certain. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The provision against DHSC contract comprises:

	2023	**2022**
	£'000	**£'000**
Credit note against components (net of VAT)	-	1,358
Credit loss (net of VAT)	-	600
VAT on the above	-	391
Interest receivable on outstanding balances	-	(168)
	-	2,181

Contract receivables of £207,912 (2022 - £26,549) has been calculated in accordance with IFRS 15.

Movement on the allowance for irrecoverable amounts on trade receivables are as follows:

	2023	**2022**
	£'000	**£'000**
Beginning of the year	2,191	8
Provision for bad receivables		2,183
Utilised during the year	(2,169)	-
End of the year	22	2,191

18. Trade and other receivables (continued)

An analysis of the trade receivables past due but not impaired is:

	2023 £'000	2022 £'000
60 to 120 days	45	8,649
More than 120 days	-	-
Less provision	(22)	(2,191)
Total trade debtors past due but not impaired	23	6,458
Add:		
Less than 60 days	468	192
Net trade receivables	491	6,650

The ageing analysis of the trade receivables and expected credit loss provision rates as at 30 June 2023 are as follows:

	Age of receivables – days overdue			
	Less than 60 days £'000	60 – 120 days £'000	Over 120 days £'000	Total £'000
Expected credit loss percentage	1%	2%	5%	
Gross receivable	592	45	-	637
Less specific receivables	-	(22)	-	(22)
Net receivable subject to ECL	592	23	-	615
Expected credit loss	6	1	-	7

The ageing analysis of the trade receivables and expected credit loss provision rates as at 30 June 2022 are as follows:

	Age of receivables – days overdue			
	Less than 60 days £'000	60 – 120 days £'000	Over 120 days £'000	Total £'000
Expected credit loss percentage	1%	2%	5%	
Gross receivable	192	8,649	-	8,841
Less specific receivables *	-	(8,448)	-	(8,448)
Net receivable subject to ECL	192	201	-	393
Expected credit loss	2	4	-	6

Based on the above, the Directors have not recognised the expected credit loss on grounds of triviality to the Group. The Directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be good.

Company	**2023**	**2022**
Amounts falling due within one year*:	**£'000**	**£'000**
Trade receivables	41	6,265
Other receivables and prepayments	207	280
Accrued income	1,169	-
VAT receivable	49	700
	1,466	7,245

18. Trade and other receivables (continued)

*The Company accounts are prepared under FRS 101 using the balance sheet formats specified in Schedule 1 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. Amounts are presented based on their due date rather than when the asset is expected to be realised as is the case for the Group which reports under IFRS.

Amounts due from subsidiaries with a carrying value of £nil (2022 - £nil) is due on demand although the directors do not expect to call the amount for payment within the next 12 months. This amount is stated net of provision for recoverability of £22,103,000 (2022 - £19,375,000).

19. Current trade and other payables

Group	**2023**	**2022**
	£'000	**£'000**
Trade payables	1,111	2,471
Customer payments on account	-	341
Taxation and social security	96	1,204
Accruals	687	944
Contract liability	50	99
Other Payables	89	-
	2,033	5,059

Contract liability is an amount of £49,561 (2022 - £99,741) relating to deferred revenue calculated in accordance with IFRS 15. The amount of deferred income relating to the prior year has been fully released in the current financial year.

Included within trade payables is €561,052 which was payable to Ginolis OY in relation to automated machinery which was in dispute. A full credit for this invoice was received in July 2023. See note 29.

Company	**2023**	**2022**
	£'000	**£'000**
Trade payables	211	902
Taxation and social security	52	196
Accruals	591	478
Other payables	10	-
	864	1,576

20. Borrowings

Group	2023 £'000	2022 £'000
Bank loans	-	115
Other loans	708	435
	708	550
Payable within one year	-	115
Payable between one and two years	-	-
Payable between two and five years	708	435
	708	550

Company	2023 £'000	2022 £'000
Bank loans	-	115
Other loans	708	435
	708	550
Payable within one year	-	115
Payable between one and two years	-	-
Payable between two and five years (plus)	708	435
	708	550

During the year the Group made a further draw down on the Innovate Loan of £250,000, which is included within other loans above.

21. Obligations under leases

Future gross minimum lease payments are due under leases as follows:

Group	2023 £'000	2022 £'000
Within one year	104	180
In two to five years	242	628
Over five years	-	-
	346	808
Less: future finance charges	(35)	(78)
	311	730

Company	2023 £'000	2022 £'000
Within one year	104	180
In two to five years	242	628
Over five years	-	-
	346	808
Less: future finance charges	(35)	(78)
	311	730

21. Obligations under leases (continued)

These are disclosed in the financial statements on a net basis (excluding future finance charges) as follows:

Group	2023	2022
	£'000	£'000
Current lease payable	87	150
Non-current lease payable	224	580
	311	730

Company	2023	2022
	£'000	£'000
Current lease payable	87	150
Non-current lease payable	224	580
	311	730

Finance lease and hire purchase borrowings are secured against the assets to which they relate.

The Group's right of use asset additions and depreciation charge recognised on leases in the year is shown in note 13 & 14, and interest expense in note 9. The total cash outflows in the year are explained in the Statement of Cash Flows and associated notes.

22. Financial instruments

The Group is exposed on a minimal basis to market risk through its use of a US Dollar and a Euro account. The Group's risk management is co-ordinated by the directors who focus actively on securing the Group's short to medium term cash flows through regular review of all the operating activities of the business. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market and liquidity risks
Liquidity risk is the risk that the Company fails to have sufficient funds to meet its debts as they become due. The Group holds funds in short-term bank deposits so that they are available when required. The liquidity risk of the Group is managed centrally. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which regularly monitors the Group's short-medium and long-term funding, and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash and cash equivalents and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group have managed the risks of short term cash deficits by receiving advanced payment on key contracts to ensure its cash flow requirements can continue to be sufficiently met. See note 1.3 for further information on cashflows and the Directors' consideration of going concern.

Credit risk
During the year, the Group's credit risk was primarily attributable to its cash balances, other loans receivable, and its trade receivables. Credit risk, is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings. The risk to the Group of trade receivables going bad is deemed relatively low due to the size and stature of the customers the Company now trades with. There were no allowances for debt recovery as at the current or previous year end.

The Group continuously monitors credit risk of customers and other counterparties and incorporates this information into its credit risk controls. The Group takes up trade references on all new customers and its policy is to deal only with credit worthy companies. None of the Group's financial assets are secured by collateral or other credit enhancements.

22. Financial instruments (continued)

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds is considered negligible, since the counterparty is a reputable bank with a high quality external credit rating, therefore no significant mitigating actions are required in respect of credit risk.

The Group uses an expected credit loss model for impairment that represents its estimate of incurred losses in respect of the Trade Receivables as appropriate. The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customer. Under the expected credit loss model impairment allowance wasn't material resulting in no provision being made.

Capital management

As described in Note 25 the Group considers its capital to comprise its ordinary share capital, share premium, share based payment reserve, and accumulated deficit as its capital reserves. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to commercialise the development which has been undertaken to date, through major sales in a number of markets.

No supplier financing arrangements or credit insurance is in place. The Group's dividend policy is to monitor reserves available for distribution to shareholders. The Group monitors capital on the basis of carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods under review is set out below:

Group	**2023**	**2022**
Total equity	2,957	6,432
Less non-pledged cash and cash equivalents	(3,236)	(2,331)
Capital	(279)	4,101

There have been no significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

Exchange rate and interest rate risk

All of the Group's borrowings are at fixed interest rates. The Group is therefore not exposed to the impact of changes in interest rates in the medium term. The level of debt is reviewed regularly by the Board.

The Group does not have any significant assets or liabilities in a currency other than Sterling. Due to the non-material nature of the Group's exposure to foreign currency risk, sensitivity analyses to movement in exchange rates are not produced. The Group has no long term foreign exchange exposure. At the beginning, during and end of the year, the Group had no unexpired forward foreign exchange contracts.

Group	**2023**	**2022**
Carrying amount of financial assets:		
Measured at fair value	-	-
Debt instruments measured at amortised cost	3,865	9,207
	3,865	9,207
Carrying amount of financial liabilities:		
Measured at fair value		-
Measured at amortised cost	3,052	5,114
	3,052	5,114

22. Financial instruments (continued)

The Group is not subject to external imposed capital requirements or any bank covenants.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

All of the Group's assets and liabilities are valued on a Level 3 basis.

The undiscounted contractual maturity analysis for Group financial instruments is shown below. The maturity analysis reflects the contractual undiscounted cashflows, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date.

Financial liabilities	**Demand and less than 3 months £'000**	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Trade and other payables	3,756	-	-	-	-	3,756
Leases	45	135	184	444	-	808
Bank loans	31	83	-	-	436	550
At 30 June 2022	3,832	218	184	444	436	5,114
Trade and other payables	1,887	-	-	-	-	1,887
Leases	26	78	106	136	-	346
Bank loans	-	-	-	-	708	708
At 30 June 2023	1,913	78	106	136	708	2,941

23. Deferred tax

As at the year-end there are no deferred tax balances in the Group or Company (2022 - £nil). The balances below are recognised but offset for reporting purposes as the Group and Company have a legal right of offset of these balances as they unwind with the same tax authority.

The following is the deferred tax balances recognised on a net basis:

Group	**Liabilities**		**Assets**	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Accelerated capital allowances	-	458	-	-
Tax losses	-	(458)	-	-
	-	-	-	-

Movements by category of deferred tax are as follows:

Group	**Liability/ (Asset) at 1 July 2022**	**(Credit)/ charge to profit and loss**	**Other comprehensive income**	**(Asset)/ Liability at 30 June 2023**
	£'000	**£'000**	**£'000**	**£'000**
Accelerated capital allowances	458	(458)	-	-
Tax losses	(458)	458	-	-
	-	-	-	-

	Liability/(Asset) at 1 July 2021	**(Credit)/ charge to profit and loss**	**Liability/(Asset) at 30 June 2022**
	£'000	**£'000**	**£'000**
Accelerated capital allowances	525	(67)	458
Tax losses	(622)	164	(458)
Capitalised research and development expenditure	97	(97)	-
	-	-	-

Group
A deferred tax asset amounting to £10,183,262 (2022 - £9,423,000) in respect of trading losses carried forward of £40,733,048 (2022 - £37,692,000) has not been recognised due to uncertainty over the extent and timing of future profits within the Group as at 30 June 2023. If these losses were recognised as a deferred tax asset at the prevailing rate of 25% (2022 – 25%) this would result in an increase to net assets of the Group of approximately £10,183,262 (2022 - £9,423,000).

Company
A deferred tax asset amounting to £5,648,528 (2022 - £4,592,000), in respect of trading losses carried forward of £22,594,113 (2022 - £18,369,000), has not been recognised due to uncertainty over future profits. If these losses were recognised as a deferred tax asset at the prevailing rate of 25% (2022 – 25%, 2021 – 25%) this would result in an increase to net assets of the Company of approximately £5,648,528 (2022 - £4,592,000).

24. Retirement benefit schemes

	2023	**2022**
	£'000	**£'000**
Charge to profit and loss in respect of defined contribution schemes	136	205

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At the year-end there is a pension creditor of £21k (2022 - £24k).

25. Share capital and reserves

	2023	2022
Ordinary share capital		
Authorised	**Number**	**Number**
Ordinary shares of 0.025p each	121,716,822	121,711,614
Deferred shares of 0.025p each	182,316,812	182,316,812
	304,033,634	304,028,426
Allotted and fully paid	**Number**	**Number**
Ordinary shares of 0.025p each	121,716,822	121,711,614
Deferred shares of 0.025p each	182,316,812	182,316,812
	304,033,634	304,028,426
	£'000	**£'000**
Ordinary shares of 0.025p each	31	31
Deferred shares of 0.025p each	45	45
	76	76

On 19 July 2022 there was an exercise of options over 5,208 Ordinary shares of 0.025 pence each.

Reconciliation of movements during the year:

	Number
At 1 July 2022	304,028,426
Exercise of share options	5,208
At 30 June 2023	304,033,634

Reserves of the Company represent the following:

Share capital – Shares in the Company held by shareholders at a proportional level with equal voting rights per share.

Share premium – Excess over share capital of any investments.

Retained earnings – This comprises the accumulated trading results of the Group.

Share-based payment reserve - This reserve comprises the fair value of options share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

26. Share options

Group & Company	Number of share options		Weighted average exercise price	
	30 June 2023 Number	30 June 2022 Number	30 June 2023 £	30 June 2022 £
Outstanding at 1 July 2022	219,781	729,467	0.3997	0.5071
Granted	4,119,285	-	0.07	-
Forfeited	(86,648)	(497,186)	0.4642	0.5755
Exercised	(5,208)	(12,500)	0.0025	0.0003
Outstanding at 30 June 2023	4,247,210	219,781	0.0773	0.3997
Exercisable at 30 June 2023	70,836	115,632	0.0025	0.0025

5,208 options were exercised during the year.

The options outstanding at 30 June 2023 had an exercise price ranging from £0.00025 to £0.70 and a remaining contractual life of up to 2 years and 6 months. The options exist at 30 June 2023 across the following share option schemes:

	Number of shares	Exercise price per share (£)	Fair value of scheme	Vesting period
EMI scheme granted in April 2021	70,836	0.00025	54,880	1 year
SAYE scheme granted in March 2021	57,089	0.70	33,573	3 years
LTIP scheme granted in December 2022	4,119,285	0.07	107,542	3 years
	4,247,210		195,995	

The fair value of the scheme is being expensed over the vesting period. All share options expire 10 years after the date of issue.

	Group		Company	
	30 June 2023 £'000	30 June 2022 £'000	30 June 2023 £'000	30 June 2022 £'000
Expenses recognised in the year				
Arising from equity settled share-based payment transactions	28	231	19	87

27. Guarantees, commitments and contingent liabilities

At 30 June 2023, the Group and Company had no contingent liabilities (2022 - none). The borrowings disclosed in note 20, were secured over the assets of the Group including the Company.

At 30 June 2023 the Group had contracted for capital commitments of approximately £nil (2022 - £nil). These amounts have not been reflected in the financial statements.

28. Directors' remuneration and transactions

	30 June 2023 £'000	30 June 2022 £'000
Remuneration for qualifying services	517	500
Company pension contributions to defined contribution schemes	31	31
	548	531

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

During the year to 30 June 2023 the Directors received remuneration as follows:

	Salary / fees £'000	Pension contributions £'000	Benefits in kind £'000	Total cash & cash equivalent remuneration £'000
Executive directors				
Melanie Ross	165	13	1	179
Chris Henry Francis Yates	225	18	1	244
	390	31	2	423
Non-executive directors				
Christopher William Hand	75	-	-	75
Lyn Dafydd Rees	10	-	-	10
Mary Geraldine Tavener	40	-	-	40
	125	-	-	125
Total executive & non-executive remuneration	515	31	2	548

In addition to the above the directors have been granted share options with fair value as shown in the below table. The fair value shown is a theoretical value only, based on the market input at the grant date, and does not represent actual cash-equivalent remuneration in the period.

During the year to 30 June 2023 the fair value of the share options granted to the directors are £68,624 (2022: nil).

During the year to 30 June 2023 the fair value of the share options granted to the directors is as follows:

	Fair value of share options £'000	Total Remuneration £'000
Executive directors		
Melanie Ross	24	203
Chris Henry Francis Yates	34	278
	58	481
Non-executive directors		
Christopher William Hand	11	86
Lyn Dafydd Rees	-	10
Mary Geraldine Tavener	-	40
	11	136
Total executive & non-executive remuneration	69	617

28. Directors' remuneration and transactions (continued)

During the year to 30 June 2022 the Directors received remuneration as follows:

	Salary / fees £'000	Pension contributions £'000	Benefits in kind £'000	Total £'000
Executive directors				
Melanie Ross	152	13	1	166
Chris Henry Francis Yates	203	18	1	222
	355	31	2	388
Non-executive directors				
Christopher William Hand	69	-	-	69
Lyn Dafydd Rees	37	-	-	37
Mary Geraldine Tavener	37	-	-	37
	143	-	-	143
Total executive & non-executive remuneration	498	31	2	531

29. Events after the reporting date

At the year-end there was an outstanding claim raised by Forsite Diagnostics Limited against Ginolis OY ("Ginolis"), whereby five units of machinery had been received of which three were subsequently reported to be defective. Claims were made against Ginolis for compensation and remedies. As a result Abingdon had not paid invoices outstanding of €561,052 to Ginolis in relation to these units as at 30 June 2023.

Abingdon Health Group plc entered a deed of settlement on 25 April 2023 stating that Ginolis would issue credit notes in the amount of €561,052 to Abingdon in respect of three invoices for machines delivered, which were received in July 2023.

The agreement states that Abingdon would then return the machinery to Ginolis in Finland to conclude the settlement. At the year end, the equipment was yet to be returned. Two of the machines have been returned post year end and 5 replacement machines that were negotiated as part of the exchange have been delivered with the remaining 3 expected shortly.

30. Related party transactions

Remuneration of key management personnel
The key management personnel are considered to be the Board of Directors and members. Refer to note 28 for details of key management personnel remuneration.

31. Subsidiaries

Details of the Company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
Molecular Vision Limited (UK)	Consultancy and R&D into a diagnostics technology platform	A1 Preference shares	100%
Serascience Limited (UK)	Development and sales of medical diagnostic devices	Ordinary shares	100%
Forsite Diagnostics Limited (UK)	Manufacturing of diagnostic devices	Ordinary shares	100%

All investments are directly held by the Company. The investments in subsidiaries are all stated at cost less impairment in the financial statements.

All subsidiary companies have the same registered address as noted on the company information page in these financial statements.

32. Ultimate controlling party

In the opinion of the Directors, no one party has ultimate control due to shareholding.