

MyHealthChecked PLC
Group Annual Report and Financial Statements
Year Ended 31 December 2022

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Contents

HIGHLIGHTS	1
STRATEGIC REVIEW	2
JOINT CHAIRMAN AND CHIEF EXECUTIVE'S REPORT	2
FINANCIAL REVIEW	5
PRINCIPAL RISKS AND UNCERTAINTIES	7
CORPORATE GOVERNANCE REPORT	12
STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER S172(1) COMPANIES ACT 2006	14
CORPORATE AND SOCIAL RESPONSIBILITY	15
DIRECTORS' REPORT.....	16
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC	20
FINANCIAL STATEMENTS	26
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	26
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	28
CONSOLIDATED STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
COMPANY STATEMENT OF FINANCIAL POSITION	49
COMPANY STATEMENT OF CHANGES IN EQUITY.....	50
ADVISORS	54

HIGHLIGHTS

Financial highlights

- Revenue up 36% to £22.3m (2021: £16.4m)
- Gross Profit of £4.6m (2021: £5.1m)
- Adjusted EBITDA of £2.3m (2021: £2.7m) - *reflecting the change in product mix away from higher margin PCR testing to the distribution of LFTs*
- Net cash generated from operating activities of £1.6m (2021: £3.0m)
- Cash balance at year end of £7.6m (2021: £6.4m) - *whilst continuing to invest across the business for future growth*
- Strong cash position to ensure next growth phases remain self-funded

Commercial and operational highlights

- Actively developing B2B2C customer relationships in preparation to launch an expanded portfolio of at-home wellness tests nationwide in 2023
- Soft launch of initial DNA at-home wellness portfolio in July 2022
- Reinvestment of earnings into developing new products for pipeline of at-home wellness tests and building scalable, digital healthcare-centric technology
- Capabilities strengthened by establishing key relationships with high-quality laboratory and kit-build partners
- Working towards ISO 27001 and migration of digital Quality Management System ('QMS') to support key compliance activity including transition to the requirements of the In Vitro Diagnostics Regulation ("IVDR").

STRATEGIC REVIEW

JOINT CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

MyHealthChecked has had a successful year in 2022, with strong revenue growth and profitability achieved for the second consecutive year. We surpassed management expectations with our financial performance, maintaining a reliable track record of delivery for our valued retail customers and partners.

Despite the unpredictable demand for our services throughout the challenging COVID period, we were able to deliver and meet the high demands of our customers in terms of volume. Our revenue increased by £5.9m (36%) to £22.3m, and this growth has enabled us to achieve our ultimate goal of a second year of positive cash flow. We ended the year with a cash balance of £7.6m (2021: £6.4m), providing us with substantial working capital to drive the business forward in 2023 and beyond.

It's a very exciting time for consumer healthcare and specifically testing, and in our many years in the consumer healthcare and testing space, we have never felt so energised around the potential for consumer self-testing. We are excited about how this can positively impact the lives of millions as we embrace preventative methods of care, can make a major difference to individuals' lives, and ultimately release the pressure on much strained healthcare services. Never before has there been so much information and guidance available for us to make informed decisions on how we reduce our future risks.

As we navigate this dynamic period of behavioural change, MHC remains focused on delivering high-quality wellness testing solutions and guidance to meet the evolving needs of our customers and help them navigate this new and exciting space.

COVID-19 testing

COVID has been a major catalyst for this change in customer behaviour, and in the past two years we have seen the market dominated by COVID testing. This familiarisation of both self-testing and laboratory testing has given customers confidence and normalised testing outside of a medical setting.

Throughout 2021 and 2022, COVID testing has been a major part of our business, with over 17 million tests delivered to the market this past year.

However, as a result in the shift in product mix from higher margin Polymerase Chain Reaction ("PCR") testing to lateral flow tests ("LFTs") during the current year, we have seen gross margins in our COVID portfolio reducing. However, post period we are launching a new testing portfolio to counter this trend, whilst we continue to deliver value to our customers.

Retail launches

We are actively developing B2B2C customer relationships and are preparing to launch an expanded portfolio of at-home wellness tests nationwide. Since the soft-launch of our initial DNA portfolio in July of last year we have remained focused on developing our wellness portfolio and supporting our retail customers in expanding their own commercial strategies to meet their customers' needs for at-home testing.

Market reports indicate significant growth potential for the home testing market, with projections indicating the market will reach \$45.58 billion by 2031 (source : Allied Market Research Nov 2022, *At-Home Testing Market Research 2031*, Author(s) : Vikita T, Shubham S, Onkar S).

In order to play a major role in this market, we have prioritised building strong relationships with our retail partners, with the goal of reaching as many end users as possible. Beyond our retail partner launches we plan to expand our core target base, while keeping a close eye on market trends to ensure an optimal user journey, and positioning ourselves as cost-effective and understanding of the current economic climate.

Product portfolio

Amid the challenges of the COVID era, we positioned ourselves as a leading provider of products and services to meet the demand for testing – and we succeeded. Our unique multi-platform portfolio of tests offers users access to a variety of test types, sample collection options, and levels of analysis, enabling us to meet diverse customer needs. Whether a customer requires an initial screener, a lab analysis, or a DNA assessment, our tests provide reliable results and guidance that empower our customers to make positive changes to their nutrition and lifestyle.

But we don't stop there in our mission to improve our customers' health in the longer term. Our tests are not just end-products, but tools that open up a dialogue with the customer and facilitate the building of a long-term relationship based on guidance, support, and monitoring. We don't simply provide test results; through our evolving digital platform we are providing a supportive relationship and guidance to ensure our customers achieve their wellness goals.

As a result of our careful cash control, we have entered another new financial year in a position of strength. We are reinvesting our earnings into developing new products for our pipeline of at-home wellness tests and building scalable, digital healthcare-centric technology. We remain committed to delivering innovative solutions that meet the evolving needs of our customers and the broader healthcare industry.

Developing talent within our team

Our new and dynamic management team has been the driving force in our past and future success. The team's determined "can-do" mindset, coupled with a customer-first approach and an agile streamlined delivery methodology is our greatest asset.

In 2022, we restructured our product development process and grew our team to ensure efficient delivery of milestone sprints. We also implemented a constant feedback loop, where our customers and trialists provided input into each iteration of our products before launch.

As we move forward, we are further strengthening the MHC team with new resources in product and digital development operations, and commercial. We have recently appointed a talented individual in the newly created role of Operations Director and our primary focus in 2023 is to grow our commercial team to further expand our B2B2C customer base and drive greater success.

Operations

Despite making the decision to close down our own laboratory operations due to the downturn in COVID PCR testing in H1 of 2022, our lean distribution channel has continued to underpin our success this past year. Our rapid responses to changing customer and market needs has seen us bring our distribution centre in-house near to our Cardiff headquarters, and we continue to strengthen our highly effective operational set-up.

In 2022, we further strengthened our position as a gold-standard partner by establishing key relationships with high-quality laboratory and kit-build partners, as well as digital partners. These proactive and compliant suppliers have further strengthened our capabilities and added to our credentials.

Compliance

Our regulatory team is fully committed to meet the new requirements of the In Vitro Diagnostic Regulation ("IVDR") which affects our products in the UK. We have a robust network of experienced regulatory partners to support us through the transitional provisions of the IVDR and we have commenced a transition to a digital Quality Management System to support us during this transition.

We have also submitted an application to the Healthcare Inspectorate Wales ("HIW") which will enable us to offer doctor-verified testing, and to provide remote phlebotomy services in the future, whilst safeguarding our customers in line with our commitments to best practice under HIW.

Investment in future technology

The cash generated from COVID testing has not only allowed us to define an investment plan around future growth opportunities, it has also put us in a position of strength where we can achieve our current plans for the business without the need for additional working capital. This is a crucial advantage that will allow us to move forward with confidence. As we worked to expand our testing portfolio in 2023, we also committed to investing in our digital platform, the plan for which is to unlock further growth potential.

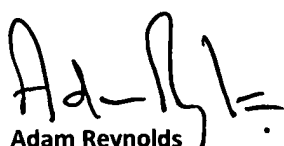
Current Trading

While we anticipate a reduction in the demand for COVID tests as the general public learns how to respond to living with the virus, we expect that testing will remain an essential part of our business into 2023 and beyond. We have seen steady sales in 2023, and as the year progresses, we will establish a new trendline and will be ready to respond to spikes in demand.

Regarding our new multi-platform range of tests, 2023 will see us moving beyond our initial soft launch to deliver a national rollout. We are confident that the investments that we make in our portfolio and service will deliver growing revenues in the future and a digital infrastructure upon which we can build and grow, and we are energised by the many opportunities ahead.

Summary

MHC has not only established itself as a player in the wellness industry but has also achieved excellent financial results in the last two years. Our commitment to innovation, customer satisfaction, and financial stability and management has set us on a path to delivering our goal of sustained liquidity. As we enter an investment phase, we are confident in our ability to execute our plans and scale our operations to meet the demand of our growing customer base. With a robust balance sheet and a team of highly skilled professionals, we are well-positioned to deliver a solid business in 2023 and beyond. The upcoming launch of new tests and further development of our digital platform presents a strong opportunity to create value for our shareholders and solidify our position as a leading wellness company.



Adam Reynolds
Chairman
31 March 2023



Penny McCormick
Chief Executive Officer

FINANCIAL REVIEW

Income statement

Revenue for the year increased by 36% to £22.3m (2021: 16.4m) due to the significant demand from the top high street pharmacy retailers for COVID Lateral Flow Tests ("LFTs"). Gross margins reduced from 31% to 21% reflecting the change in product mix from the processing of higher margin COVID PCR testing ("PCR") to the distribution of LFTs in a highly competitive market. In addition, capitalised costs amounting to £328,000 associated with the development of COVID user interface on the digital platform, were fully impaired during the current year through cost of sales.

Sales and marketing costs have increased from £699,000 to £798,000 due to the increased investment in marketing activities associated with the new and planned product launches.

Total administrative expenses were broadly comparable to the prior year at £2,343,000 (2021: £2,386,000). Excluding the impairment of intangible assets, share based payments and the laboratory closure costs other administrative expenses increased to £2,087,000 (2021: £1,860,000) largely due to the significant investment in the development of the digital platform in readiness for the launch of the new product offerings in 2023. Research and development costs expensed to administrative expenses in 2022 amounted to £546,000 (2021: £175,000). As part of our focus on tight cost control the decision was also taken to close the Manchester laboratory at a total cost of approximately £226,000 as the facility was no longer operating cost effectively following the drop in demand for PCR "Fit to Fly" tests. The impairment charge of £50,000 in administration expenses relates to patents and other costs associated with the MYLO/myLotus products previously capitalised.

The Group's operating profit amounted to £1,506,000 (2021: £2,046,000) and, after the release of the provision for contingent consideration of £1m, the impairment of the associated goodwill of £987,000 and net interest payable of £2,000 (2021: £2,000) the Group's profit before and after taxation was £1,517,000 (2021: £2,004,000) giving a basic earnings per share of 0.20p (2021: 0.28p) and fully diluted earnings per share of 0.19p (2021: 0.27p).

Adjusted EBITDA is calculated as follows:

	2022 £'000	2021 £'000
Operating profit	1,506	2,046
Depreciation and amortisation	222	157
Impairment of intangible assets	378	414
Share based payments	(20)	112
Laboratory closure costs (excluding the loss on disposal of equipment)	171	-
Adjusted EBITDA	2,257	2,729

Financial position

The Group's net assets at 31 December 2022 amounted to £8,850,000 (2021: £7,113,000). This comprised total assets of £11,428,000 (2021: £11,668,000) and total liabilities of £2,578,000 (2021: £4,555,000). The total assets included property, plant and equipment (including right-of-use assets) of £150,000 (2021: £163,000) and intangible assets, being development costs in respect of the digital platform and website, know-how, goodwill and patent costs, of £1,098,000 (2021: £2,289,000). As noted above an impairment provision was made against the goodwill arising on the acquisition of Nell Health Limited which was acquired last year.

Cashflow

The Group's cash balance at the year-end was £7,608,000 (2021: £6,387,000). The net inflow from operating activities amounted to £1,606,000 (2021: £3,014,000), whilst the cash outflows from investing activities amounted to £338,000 (2021: £299,000) and £47,000 (2021: £3,206,000 inflow) was spent on financing activities.

Capital management

The Board's objective is to maintain a balance sheet that is both efficient and delivers long term shareholder value. The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Key Performance Indicators ("KPIs")

The Board recognises the importance of both financial and non-financial KPIs in driving appropriate behaviours and enabling the monitoring of Group performance.

The key financial KPIs monitored by the Board are revenue, gross margin and EBITDA which are discussed under the review of the Income Statement above. In addition, the Board also reviews cash and working capital balances on a monthly basis.

With regard to non-financial KPIs, the Board monitors its relationship with key customers and suppliers, the motivation and retention of employees and progress against the planned development of the digital platform and new product offerings.

Events after the reporting year

On 17 January 2023 the Court approved the reduction of the share capital of the Company which involved the cancellation of all the Deferred Shares, the Share Premium Account and the Capital Redemption Reserve. The purpose of the Capital Reduction was to create distributable reserves.



Nicholas Edwards
Chief Financial Officer
31 March 2023

GOVERNANCE

PRINCIPAL RISKS AND UNCERTAINTIES

Responsibility for Risk

Risk identification and management strategy continues to be a key role for the Board which has overall responsibility for the Group's risk management. It is reported at Board level, with the non-executive members taking the risk responsibility seriously. In addition, risk is specifically considered by the Board as part of the Audit Cycle. The Audit Committee has responsibility for assessing and challenging the robustness of the internal control environment.

Risk management processes and internal control procedures are established across all levels of the Group and are managed by the Executive Directors in conjunction with dedicated internal and external expert professionals in the business. Risk management and internal controls provide reasonable but not absolute protection against risk. Risk appetite is not static and is regularly assessed by the Board to ensure it continues to be aligned with the Group's goals and strategy.

Principal Risks and Uncertainties

The principal risks involved in delivering the Group's strategy are actively managed and monitored against our appetite for risk as follows:

Risk	Impact	Mitigation
Market		
COVID-19 and business interruption	The COVID-19 pandemic in the UK poses a threat to the continuation of business operations if there is a widespread infection amongst our workforce.	<p>Government guidance continues to be monitored closely and our COVID Policies are reviewed regularly.</p> <p>Where staff members or their close contacts have tested positive, they have been asked to self-isolate away from company premises and inform us quickly of any contact with other employees which may be cause for concern.</p> <p>Management have devised a series of mitigating actions, designed to preserve cash resources, and maintain delivery of essential products to our customers and distributors.</p>
Brexit	New regulations could add complexity and delays to operations in terms of supplies from the EU.	<p>Our regulatory department keeps up to date on all changes.</p> <p>Given the limited sales transactions outside of the UK the impact of Brexit is minimal in revenue terms.</p> <p>Guidelines are in place, and advisors available, to support transactions to and from the EU to ensure compliance with the regulations.</p>

Risk	Impact	Mitigation
Technology	The Group's platform is currently unique. Rapid technological advances could see competitor products being launched.	<p>The Group has product development plans in place for improved technology, including further development of the bespoke digital platform and Laboratory Information Management System ('LIMS').</p> <p>Activities are undertaken to widen the product portfolio that include additional innovative solutions for the targeted consumer groups and considering M&A opportunities.</p> <p>Market surveillance is in place to monitor competitive activities to support the further development of the digital asset.</p>
Ability to sell effectively	The Group's brand is still in its infancy, and it is imperative that there are effective marketing methods and digital exposure to support the sales function.	The Group is improving its controls to support the sales functions and has strengthened the management team and distribution channel for increased brand awareness. Dedicated, skilled resources are allocated internally and externally to the sales and marketing function, in particular content and digital marketing with plans in place to expand the support and expertise as required.
eCommerce infrastructure	The Group must ensure that its eCommerce platform is sufficient to support the growth phase.	<p>The Group has upgraded its ecommerce platform to underpin business growth and support its expanding customer base.</p> <p>The Group has appointed consultants to support the company integration of all digital, automated S&OP functions and systems.</p>
Cyber Risk/GDPR	The Group will operate systems that hold sensitive categories of confidential personal data including that of our customers.	<p>The Group has a dedicated Data Protection Officer and has carried out a full GDPR audit. The Group continues to review and tighten its cyber, data protection and security policies for continuous improvement, and undergoes regular review and audit.</p> <p>The Group has achieved Cyber Essentials Plus. The Group carries out an ongoing review of cyber security matters to ensure compliance.</p>
Concentrated customer base	The Group currently has a concentrated customer base.	The Group has focused on the securing of top tier customers and will continue its business development plans to further expand the DTC and B2B customer base.
War in Ukraine continuing	Supply Chain delays or price increases.	The Group works closely with suppliers to forecast to secure product and maximise freight efficiencies.
Inflation	Reduced consumer spend on non-essential purchasing.	The Group provides services that are priced competitively and provide complimentary guidance to support an increasingly challenged healthcare system e.g.: clinic waiting lists.

Risk	Impact	Mitigation
Operational		
Dependence on key personnel	The Group is in its initial stages of development when reliance on a few key people has an inherent vulnerability.	<p>The Group conducts benchmark exercises to ensure a good remuneration and offers an environment for agile working as well as excellent personal development in an exciting segment of the industry.</p> <p>We undertake cross training in key functions to ensure that the infrastructure is supported through periods of absence.</p>
Technical	Insufficient understanding of biology, science, research program, approvals and patents leading to loss of product license, patent protection, loss of medical sponsorship, distributor, and consumer confidence. This can impact the delivery of strategy and objective of the Group.	<p>The Group senior management and Board have strong technical skills and demonstrable experience in the research and markets that the Group operates in.</p> <p>The Group has a Scientific Advisory Board in place and outsources key technical functions so that it is not limited by its in-house competencies.</p>
Supply Chain	Inadequate design of processes, quality control and oversight over supply chain - production, distribution and logistics which could impact the delivery of strategy and objective of the Group.	<p>The Group utilises industrial and market expertise in this area and will outsource production and appointing distributors and third-party warehouse providers as the need arises.</p> <p>The Group shall further mitigate development risk by engaging at the appropriate stage relevant experience and expertise of specialists and appropriate technology.</p> <p>The Group has in place an optimized MRP system for supply chain control.</p>
Increased transport costs	Global volatility increasing airfreight costs.	The Group works closely with customers and suppliers to maximise shipment volumes where possible and minimize transport costs per unit.
Product supply	Failure of third-party providers could impact customer supply.	Robust SLAs and KPIs, long range forecasts and close and regular communication channels with suppliers are in place to ensure the Group has long sight of any potential issues for optimal customer impact mitigation.

Risk	Impact	Mitigation
Environmental		
Inability to access facilities	Environmental, health or safety factors preventing site access.	<p>All employees are equipped to work remotely with technology suitable to maintain engagement. The safety of all employees is paramount and business interruption procedures are in place to maintain wellbeing.</p> <p>E-commerce order fulfilment is essential to be undertaken on site by us or third parties, all other activities can be performed remotely</p>
Financial		
Future funding requirements	A newly established business model will require investments in development and commercialisation.	<p>Management will analyse major opportunities and present them as additional business cases when warranted. Any future fundraisings will be undertaken if the business opportunity warrants such.</p> <p>A robust cost control environment is in place to ensure the funds are employed in their most efficient and controlled manner.</p> <p>A business growth strategy is in place and under execution to generate revenue for the Group.</p>
Currency fluctuations	Currency fluctuations could increase costs and affect profitability.	<p>The majority of sales are domestic, and the impact is therefore marginal.</p> <p>A small proportion of costs are in foreign currency and close monitoring of currency movement is undertaken. As the purchases increase in scale currency instruments will be used to protect against the increased exposure.</p> <p>Currency fluctuations could impact both sales price and costs.</p>
Commodity price volatility	The price of raw materials and energy in a volatile market (Russia/Ukraine) will impact the purchase price.	The Group works with suppliers and customers to set pricing and agree favorable payment terms, wherever possible.
Legal		
Intellectual Property litigation	Any infringement claim brought against us would impact the Company from its business.	The Group engages with IP specialists to review the freedom to operate and IP position. No reports of any infringement claim have been reported of any patents.

Risk	Impact	Mitigation
Compliance with regulations	Reputational and the effect of severe penalties. Senior management could be imprisoned and/or personally fined.	Policies and processes are in place to detail the compliance as follows: <ul style="list-style-type: none"> - Anti-Money Laundering - Anti-Bribery and Corruption - Privacy Policy - Ethics Code - Share-dealing - Tax Evasion The on-boarding process for new employees, consultants and suppliers cover the policies relevant to the parties and a monitoring process is in place to ensure compliance.
Changes in compliance legislation	The diagnostics market is heavily regulated. The IVD Regulation came into effect in 2022 increasing the regulatory burden and impacting on the regulatory preparation for products prior to launch.	The Group's management has experience in the diagnostics market where regulatory requirements are rigorous. Qualified management and external partners have been appointed to advise and collaborative relationships are maintained with the Notified Bodies (BSI and UKAS) to remain compliant and agree forward plans.



Penny McCormick
Chief Executive Officer
31 March 2023

CORPORATE GOVERNANCE REPORT

The Board recognises that good standards of corporate governance help the Company to achieve its strategic goals and is vital for the success of the Company. The Company adopts proper standards of corporate governance and follows the principles of best practice set out in the Quoted Company Alliance Governance Code (2018) (the 'QCA Code'), as far as is appropriate for the size and nature of the Company and the Group. These principles are disclosed on our website in the Corporate Governance section. The Statement of Directors Responsibilities under s172(1) Companies Act 2006 is set out on page 14.

The Board and responsibilities

The Board currently consists of a Non-Executive Chairman, two executive Directors and three non-executive Directors. There is a clear division of responsibilities between the chairman and the executive officers and the Board considers the non-executive directors to be independent of management. The composition of the Board ensures that no single individual or group of individuals is able to dominate the decision-making process.

The Directors evaluate the balance of skills, knowledge and experience on the Board when defining the role and capabilities required for new appointments. The Board is responsible for management of the business, setting the strategic direction and policies. The Board meets regularly to attend to any issues which require the attention of the Board and oversees the financial position of the Company monitoring the business and affairs on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management.

The day-to-day management of the Company's business is delegated to the Chief Executive Officer and Chief Financial Officer of the Company. During the year to 31 December 2022, the Board held 11 scheduled meetings as well as a number of additional meetings which were held as required.

Board of Directors

Adam Reynolds - Non-Executive Chairman

Adam is a former stockbroker with over 35 years' experience within the UK financial services sector. He is currently a director of several AIM traded companies: he is currently Chairman of Belluscura PLC (a next generation medical devices firm specialising in portable & light weight oxygen concentrators), Otaq PLC (a technology company involved with aquaculture, geotracking and the offshore oil industry) and Probiotix Health PLC (a life sciences business developing probiotics to tackle cardiovascular disease). He is also a non-executive director of Sosandar Plc an on-line fashion business and is a director of a number of private companies. Adam joined the MyHealthChecked PLC board as non-executive Chairman in February 2016.

Penelope McCormick - Chief Executive Officer

Penny was appointed Chief Executive Office of MyHealthChecked in November 2019. She is a skilled commercial professional with several years' leadership experience in the consumer women's health medical device market. Prior to joining MyHealthChecked, Penny was Managing Director of BBI Healthcare, a consumer healthcare business providing a branded healthcare portfolio into the UK high street, multiple grocery retailers and on-line, and via global channel sales through a network of brand and OEM distributors. During that time Penny grew the business into a highly profitable entity through the restructuring of the commercial team and a global license deal with Bayer, the securing of the license and IP of a key women's health portfolio, and the acquisition of a European manufacturing facility.

Nicholas Edwards - Chief Financial Officer

Nick has over 20 years' financial experience having worked across multiple industries and commercial organisations. Prior to joining MyHealthChecked in April 2022, Nick spent two years as Finance Director for Viscose Closures Limited, a manufacturer of Film and Cellulose tamper evident solutions and eight years as Group Financial controller and Analyst at BBI Group Holdings Ltd where he worked alongside Penny McCormick. Nick also has significant management and transactional experience, including financial leadership for BBI's divestment from Alere Inc, and successfully securing important bank financing and Welsh Government funding for Viscose.

Neil Mesher - Non-Executive Director

Neil has more than 25 years of global experience within the healthcare and consumer electronics industries. Previously CEO of Philips for the UK and Ireland, he has recently been appointed Senior VP for Philips North-West Europe, and is a member of the Philips European Leadership Team. He also Chairs the Board of the Association of British Healthtech Industries (ABHI) and is Co-Chair of the UK Governments Health Technology Partnership, a body which aims to optimise the relationship between the health technology industrial sector and the wider UK health and care system, specifically the NHS.

Lyn Rees - Non-Executive Director

Lyn was appointed as a non-executive director in November 2019. He is a seasoned executive in global healthcare and IVD markets and CEO of Yourgene Health plc, a company involved in the development of molecular diagnostics. Prior to joining Yourgene, Lyn was Group CEO at the BBI Group for over 9 years during which time he completed a number of acquisitions all of which were successfully integrated. He also founded BBI Detection and BBI Animal Health and has demonstrated a strong track record of organic and acquisitive growth.

Lesley Innes – Non-Executive Director

Lesley joined the MyHealthChecked Board in April 2022. Lesley is an experienced Chartered Accountant (FCA) who combines public and private company board experience with the technical skills gained at a senior level working at KPMG. Lesley has a significant track record of working within quoted public companies including Wilshaw PLC, Eckoh PLC, Symphony Telecoms Holdings PLC and more recently as a non-executive director at REACT Group PLC where she also chaired the Audit Committee and acted as Company Secretary. Lesley also spent 14 years as Finance Director at Invigia Limited, a CRM software company specialising in customer complaints management primarily for the finance sector, managing the sale of the company for cash to the Equiniti group in October 2014.

Audit Committee

Following her appointment to the Board in April 2022 Lesley Innes became the Chairman of the Audit Committee which Adam Reynolds also sits on. They will meet not less than twice a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of MyHealthChecked PLC.

The Nomination Committee

The Nomination Committee is responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board, and the chair of each such committee. The Nomination Committee will also arrange for evaluation of the Board. Adam Reynolds is the Chairman of the Nomination Committee which Penny McCormick also sits on and they meet as and when required.

The Remuneration Committee

Adam Reynolds is the Chairman of the Remuneration Committee, which Lesley Innes, Neil Mesher and Lyn Rees also sit on and they will meet not less than once each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of MyHealthChecked PLC.

Share dealing code

MyHealthChecked PLC has adopted and operates a share dealing code governing the share dealings of the directors of the Company and applicable employees with a view to ensuring compliance with the AIM Rules.

Investor relations

The General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website. The Company also has a dedicated electronic communication line specifically for shareholders' enquiries.

STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER S172(1) COMPANIES ACT 2006

The Directors understand and respect their obligations under section 172(1) of the Companies Act 2006 to act in good faith and promote the success of the Group for all its stakeholders, having regard to the long term consequences of decisions on the interests of the Group's employees, other stakeholders, neighbouring communities and the wider environment.

Business

The Group's strategic plan has evolved to deliver a portfolio of at home testing products and complimentary guidance on the company's digital platform which the Board believes will deliver shareholder value in the future. The Directors continue to operate the business within tight budgetary control and in line with regulatory requirements.

Employees

The Group has few employees, but they are critical to the delivery of the Group's strategic plan. The Directors ensure that the Group complies with all UK employment laws and has implemented appropriate standards and systems to monitor and to ensure the welfare of those employees. For more detail on how the Directors support the employees, see Corporate and Social Responsibility Report in this Annual Report.

Stakeholder engagement

The Group has built and maintained relationships with shareholders, advisers, customers and suppliers. The Directors have taken steps to develop and strengthen them through dialogue and engagement. These relationships are monitored at Board level and the Board regularly reviews customer and supplier feedback, including customer satisfaction data and any complaints.

The Chairman and the CEO ensure that they are available to discuss issues with key shareholders outside of the shareholder meetings which are held. The Company complies with its disclosure obligations as set out in the AIM Rules for Companies, published by London Stock Exchange to ensure that shareholders are updated on key developments on a timely basis.

Governance

The Board recognises that good standards of corporate governance help the Group to achieve its strategic goals and is vital for the success of the Company. For more detail on the corporate governance of the Group, see Corporate Governance Report in this annual report.

CORPORATE AND SOCIAL RESPONSIBILITY

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders. In view of the limited number of stakeholders, the Company has not adopted a specific policy on Corporate Social Responsibility. However, it does seek to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations. The Company has adopted an Anti-Corruption and Anti-Bribery Policy and complies with regulations like Competition Law.

Environment

MyHealthChecked PLC is sensitive to the environment in which it operates and has established well defined operating guidelines with some of the manufacturing partners where it seeks their compliance with ISO14001 when relevant, to ensure certain environmental standards are complied with.

Human Rights

MyHealthChecked PLC is committed to social and morally responsible research, development and manufacturing processes for the benefit of all stakeholders. The activities of the Company are in line with applicable laws on human rights.

Tax Evasion

MyHealthChecked PLC has adopted and operates a tax evasion code ensuring that all MyHealthChecked associated persons, including employees and those acting on the Company's behalf, do not facilitate tax evasion.

Employees

Our employees are key to achieving the business objectives of the Company. The Company has established policies for recruitment, diversity and equal opportunities, training and development. Our priority is to provide a working environment in which our employees can develop to achieve their full potential and have opportunities for both professional and personal development. We aim to invest time and resource to support, engage and motivate our employees to feel valued, to be able to develop rewarding careers and want to stay with us. The Company embraces employee participation in issue raising and resolution through regular update sessions that value contributions from all levels regardless of their position in the business.

Shareholders

The Board of Directors actively encourages communication and seeks to protect the interest of shareholders at all times. The Company updates shareholders regularly through regulatory news and financial reports. The Company also engages directly with investors at its Annual General Meeting and investor events.

Health and Safety

Company activities are carried out in accordance with its Health and Safety Policy which adheres to all applicable laws and is reviewed, and updated if appropriate, on a regular basis.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for MyHealthChecked PLC for the year ended 31 December 2022.

Principal Activities

MyHealthChecked PLC is the parent company of a group specializing in the development and commercialisation of a range of at-home healthcare and wellness tests. A detailed review of the business activities of the Group is contained in the Joint Chairman and Chief Executive's Report.

Business review and future developments

The review of the operations and future developments are contained in the Joint Chairman and Chief Executive's Report. The results for the year are set out in the attached financial statements.

The Directors do not recommend a final ordinary dividend for the year (2021: £nil).

Directors and directors' interests

The directors who held office during the year, and subsequently, were as follows:

Adam Reynolds (Chairman)
 Penelope McCormick
 Nicholas Edwards (appointed 11 April 2022)
 Lyn Rees
 Neil Mesher
 Lesley Innes (appointed 11 April 2022)
 David Gareth Davies (resigned 7 April 2022)
 Laura Moore (resigned 8 April 2022)

Directors' interests

The beneficial interests of the Directors who held office during the year in the shares, share options and warrants of MyHealthChecked PLC are as follows :

Ordinary shares of 1p each	2022	2021
Adam Reynolds	10,513,293	9,513,293
Penelope McCormick	2,150,000	2,150,000
Nicholas Edwards	125,000	-
Lyn Rees	1,991,071	1,991,071
Lesley Innes	250,000	-
Neil Mesher	-	-
Laura Moore*	10,324,291	10,324,291

**as at date of resignation*

There have been no changes in the Directors' shareholdings since the year end.

Directors' share options and warrants

Details of warrants and share options held by Directors who held office at the year end are as follows:

	Brought forward No	Granted No	Lapsed No	Carried Forward No	Date of Grant	Exercise Price
Share options						
A. Reynolds	1,000,000	-	-	1,000,000	28/7/21	3.5p
P. McCormick	10,000,000	-	-	10,000,000	24/4/20	0.8p
P. McCormick	10,000,000	-	-	10,000,000	28/7/21	3.5p
P. McCormick	-	10,000,000	-	10,000,000	14/10/22	1.6p
N. Edwards	-	6,000,000	-	6,000,000	14/10/22	1.6p
L. Rees	2,000,000	-	-	2,000,000	28/7/21	3.5p
	23,000,000	16,000,000	-	39,000,000		

The share options held by Directors' vest equally on the anniversary of each of the first three years following the date of grant and they are exercisable for up to 10 years after the date of grant.

The remuneration of the directors in MyHealthChecked PLC who held office during the year to 31 December 2022 was as follows:

	Salaries/ fees £'000	*Other Benefits £'000	Pension costs £'000	Share-based payments £'000	31 December 2022 £'000	31 December 2021 £'000
Adam Reynolds	56	-	-	(3)	53	64
Penelope McCormick	316	11	18	(9)	336	426
Nicholas Edwards	66	4	3	2	75	-
Lesley Innes	46	-	-	-	46	-
Neil Mesher	35	-	-	-	35	57
Lyn Rees	35	-	-	(6)	29	53
Gareth Davies	37	3	5	-	45	129
Laura Moore	11	-	-	-	11	6
Madeleine Kennedy	-	-	-	-	-	29
Peter Dines	-	-	-	-	-	7
	602	18	26	(16)	630	771

**Other benefits comprise a car allowance, private medical and a contribution towards mobile phone expenses.*

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Events after the reporting date

Events after the reporting year are described in Note 25 to the financial statements.

Research and development activities

MyHealthChecked is focused on developing and enhancing the product portfolio and other products that will complement and expand the product offering.

The total research and development expenditure for the year ended 31 December 2022 was £856,000 (2021: £277,000) of which £310,000 (2021: £102,000) was capitalised and £546,000 (2021: £175,000) was expensed in the income statement. The capitalised expenditure was incurred on the development of the digital platform acquired from Nell Health as well as expanding the product range. Further details of the research and development activities are disclosed in the Joint Chairman and Chief Executive's Report.

Financial Risk management

Details of financial risk management are provided in note 3 to the accounts.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements. When assessing the foreseeable future, the directors have looked at the forecast for the next 12 months and the cash at bank available as at the date of approval of this report and are satisfied that the Group should be able to fund any operating losses.

Substantial shareholdings

The Company has been advised of the following beneficial interests in more than 3% of its ordinary share capital as at the following dates:

	31 December 2022	30 March 2023
	%	%
Mercia Investment Plan LP*	11.49%	11.49%

** Together with Mercia (General Partner) Limited, Finance Yorkshire Limited and Pershing Nominees Limited the total holding for direct investment or via funds under management for Mercia Asset Management PLC currently amounts to 26.38%*

Statement of Disclosure to the Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditor's appointment

Jeffreys Henry LLP has indicated that it will not seek re-appointment as the Company's Auditor at the Annual General Meeting as, following a business reorganisation, the firm will provide audit services to clients from another company in the Group, Gravita Audit Limited. A resolution to appoint Gravita Audit Limited as the Company's Auditor will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance Company law which requires the directors to prepare group and parent company financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with UK adopted international accounting standards (IFRS) and elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). 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 and of the profit or loss of the Group and the parent company for that year.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards ("IFRS") or UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with UK adopted international accounting standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board



Lesley Innes
Company Secretary
31 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC

For the year ended 31 December 2022

Opinion

We have audited the financial statements of MyHealthChecked PLC (the "parent company") and its subsidiaries (the "Group") for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, 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 (IFRSs). 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).

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 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted IFRSs;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for at least 12 months from the date of approval, to determine expected cash burn, which was compared to the liquid assets held in the entity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) 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. This is not a complete list of all risks identified by our audit.

- Carrying value of goodwill and other intangible assets.
- Carrying value of investment in subsidiary

These are explained in more detail below

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of goodwill and other intangible assets – Group financial statements</p> <p>Intangible assets are made up of Patents, Know-how, Goodwill, Other development costs and Platform and website development.</p> <p>Know-how and Other development costs were fully impaired in the prior year and treated as disposed of in the year.</p> <p>The group has patents amounting to £15,000 (2021: £70,000).</p> <p>The brought forward carrying amount of Goodwill was £987,000 and relates to goodwill created following the acquisition of Nell Health Limited. This was fully impaired at the year end.</p> <p>Platform and website development was made up of IT systems including a digital database which was acquired on the acquisition of Nell Health Limited and additions in the year. The carrying value of this has been recognized at £1,083,000 as at the year end (2021: £1,232,000).</p> <p>The Directors have confirmed all intangibles, including additions were correctly recognised. Management also relied on an internal expert to identify the platform and website development assets which should be impaired during the year.</p> <p>The directors are satisfied that the carrying value of Platform and website development as at the year-end is correct.</p> <p>There is a risk that the carrying value of intangibles is not appropriately considered and further impairments may be required.</p>	<p>Intangibles are only assessed for impairment when indicators of impairment exist. We have considered the life cycle and the fair value of intangibles held by the Group.</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained management's forecast for future value in use of the intangible assets; • Assessed the reliability of forecasts by assessing the reasonableness of inputs; • Reviewed management and challenged management on their judgements of the forecasted sales and estimates useful life of the intangible assets; • Assessed the ongoing projects viability and ensured they met the criteria defined in the accounting standards for intangibles; and • Tested the clerical accuracy of management's forecast. • In respect of the use of management's expert to determine the splitting of carrying amounts of the platform and website development assets, we have: <ul style="list-style-type: none"> • evaluated the competence and capabilities of that expert; • obtained an understanding of the work of that expert; and • evaluated the appropriateness of that expert's work as audit evidence <p>Based on the audit work performed, we are satisfied with management's assertion that no further impairment exists.</p>
<p>Carrying value of investment in subsidiary – parent company financial statements only.</p> <p>The Company had investments of £4,243,000 at the year ended 31 December 2022 (2021: £4,652,000).</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Assessed the methodology used by management to estimate value of its subsidiary, which was based on net assets.

<p>The Directors have confirmed all investments were being held at cost less provision for impairment.</p> <p>We identified a risk that the investment held within the parent company financial statements in its subsidiaries may be impaired.</p> <p>Management's assessment of the recoverable amount of investments in subsidiaries requires estimation and judgement around assumptions used. Management had assessed the investment to be at least the net asset value of the investment. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.</p>	<ul style="list-style-type: none"> • Verified the net assets figure used in management's valuation. • Ensured that disclosures of the key judgements and assumptions, and sensitivities of the impairment loss recognised was appropriately disclosed. <p>Based on the audit work performed, we are satisfied with management's assertion that no further impairment exists.</p>
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Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£223,000 (2021: £164,000).	£102,000 (2021: £98,000).
How we determined it	Based on 1% of revenue (2021 Based on 1% of revenue)	Based on 1% of gross assets (2021: Based on 1% of gross assets)
Rationale for benchmark applied	We believe that revenue is a primary measure used by shareholders in assessing the performance of the Group.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Company as it is the holding company within the group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components ranged from £41,000 to £220,000 (2021: £41,000 to £160,000).

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £11,150 (Group audit) (2021: £8,200) and £5,100 (Company audit) (2021: £5,800) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 4 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of MyHealthChecked PLC and Concépta Diagnostics Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over goodwill and other intangible assets, as well as certain account balances and transaction classes that we regarded as material to the Group at the 4 reporting units.

We conducted sufficient appropriate audit procedures on the subsidiaries, The Genome Store Limited and Nell Health Limited, for the purposes of the consolidation.

We have audited all components within the Group, and no unaudited components remain.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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.

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 set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the Audit Committee.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Sachin Ramaiya
Senior Statutory Auditor
For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London EC1V 9EE

31 March 2023

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue		22,314	16,376
Cost of sales		(17,667)	(11,245)
Gross profit		4,647	5,131
Sales and marketing costs		(798)	(699)
Other administrative expenses		(2,087)	(1,860)
Closure of laboratory	5	(226)	-
Impairment of intangible assets	12	(50)	(414)
Share based payments	21	20	(112)
Administration expenses	5	(2,343)	(2,386)
Operating profit		1,506	2,046
Finance costs	7	(5)	(2)
Finance income	7	3	-
Contingent consideration no longer payable on the acquisition of Nell Health Limited	18	1,000	-
Impairment of goodwill arising on acquisition of Nell Health Limited	12,18	(987)	-
Additional consideration payable on the acquisition of The Genome Store Limited	18	-	(40)
Profit before income tax		1,517	2,004
Tax charge	8	-	-
Profit for the year		1,517	2,004
Other comprehensive income		-	-
Total comprehensive profit for the year		1,517	2,004
Attributable to owners of the parent:		1,517	2,004
Earnings per ordinary share - basic	9	0.20p	0.28p
Fully diluted earnings per ordinary share	9	0.19p	0.27p

All activities relate to continuing operations.

The prior year figures have been restated on a comparable basis to the year ended 31 December 2022 (*see note 5*)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 December 2022

		2022	2021
	Notes	£'000	£'000
Non-current assets			
Property, plant and equipment	10	75	163
Right of use assets	11	75	-
Intangible assets	12	1,098	2,289
Total non-current assets		1,248	2,452
Current assets			
Inventories	13	1,284	497
Trade and other receivables	14	1,288	2,332
Cash and cash equivalents	15	7,608	6,387
Total current assets		10,180	9,216
Total assets		11,428	11,668
Current liabilities			
Trade and other payables	16	2,525	3,315
Lease liabilities	17	29	-
Deferred consideration	18	-	1,240
Total current liabilities		2,554	4,555
Non-current liabilities			
Lease liabilities	17	24	-
Total non-current liabilities		24	-
Total liabilities		2,578	4,555
Net assets		8,850	7,113
Share capital	19	780	756
Deferred shares	19	6,359	6,359
Share premium account	20	16,887	16,671
Capital redemption reserve	20	1,815	1,815
Reverse acquisition reserve	20	(6,044)	(6,044)
Retained earnings	20	(10,947)	(12,444)
Total equity		8,850	7,113

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the board of directors on 31 March 2023 and were signed on its behalf by:

Nicholas Edwards
Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £ '000	Deferred shares £'000	Share Premium £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total £'000
Equity as at 1 January 2021	518	6,359	12,442	916	1,815	(6,044)	(15,476)	530
Profit for the year	-	-	-	-	-	-	2,004	2,004
Total comprehensive profit	-	-	-	-	-	-	2,004	2,004
Transfer from share based payment reserve	-	-	-	(916)	-	-	916	-
Issue of shares net of expenses	194	-	2,979	-	-	-	-	3,173
Conversion of loan note and interest	13	-	92	-	-	-	-	105
Exercise of options	2	-	18	-	-	-	-	20
Other share issue	1	-	16	-	-	-	-	17
Share-based payments (note 21)	-	-	-	-	-	-	112	112
Acquisition of Nell Health Limited	28	-	1,124	-	-	-	-	1,152
Equity as at 31 December 2021	756	6,359	16,671	-	1,815	(6,044)	(12,444)	7,113
Profit for the year	-	-	-	-	-	-	1,517	1,517
Total comprehensive profit	-	-	-	-	-	-	1,517	1,517
Share-based payments (note 21)	-	-	-	-	-	-	(20)	(20)
The Genome Store Limited deferred consideration	24	-	216	-	-	-	-	240
Equity as at 31 December 2022	780	6,359	16,887	-	1,815	(6,044)	(10,947)	8,850

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2022

	2022	2021
	£'000	£'000
Cash flows from operating activities		
Profit before taxation	1,517	2,004
Adjustments for:		
Deferred consideration	(1,000)	40
Decrease in provisions	-	(26)
Depreciation and amortization	222	157
Impairment of intangible assets	1,365	414
Loss on sale of laboratory assets	55	-
Finance expenses	5	2
Finance income	(3)	-
Share-based payments	(20)	112
Adjusted operating profit before changes in working capital	2,141	2,703
Changes in working capital		
Increase in inventory	(787)	(494)
Decrease/(Increase) in trade and other receivables	1,044	(2,124)
(Decrease)/Increase in trade and other payables	(790)	2,931
Cash generated in operations	1,608	3,016
Net interest payable	(2)	(2)
Net cash inflow from operating activities	1,606	3,014
Investing activities		
Acquisition of Nell Health Limited	-	(50)
Purchase of property, plant and equipment	(22)	(147)
Purchase of intangible assets	(316)	(102)
Net cash flows used in investing activities	(338)	(299)
Financing activities		
Issue of ordinary shares (net of issue expenses)	-	3,211
Repayment of lease liability	(47)	(5)
Net cash flows from financing activities	(47)	3,206
Net change in cash and cash equivalents	1,221	5,921
Cash and cash equivalents at the beginning of the year	6,387	466
Cash and cash equivalents at the end of the year	7,608	6,387

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

MyHealthChecked PLC (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is The Maltings, East Tyndall Street, Cardiff, CF24 5EA. The registered company number is 06573154. The Group's principal activity is in the development and commercialisation of at-home healthcare and wellness tests.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at and for the year to 31 December 2022. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

2. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared in sterling, which is the functional currency of the company.

The preparation of financial statements in compliance with UK adopted IFRSs 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 below.

Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiaries ("the Group") as if they formed a single entity for the full year or, in the case of acquisitions, from the date control is transferred to the Group. The Company controls an entity, when the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Changes in accounting policies and disclosures

(a) *New and amended standards adopted by the Group:* There are no IFRS or IFRIC interpretations that are effective for the first time in this financial year that would be expected to have a material impact on the Group.

(b) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2022 financial statements:*

The following IFRSs and amendments have been issued by the IASB but are not effective until a future period.

- IFRS 17 Insurance Contracts and Initial Application of IFRS 17 and IFRS 9, Comparative Information (Amendments to IFRS 17)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 16 Leases (Amendment, Liability in a Sale and Leaseback) (not yet endorsed by the UK Endorsement Board)
- IAS 1 Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current) (not yet endorsed by the UK Endorsement Board)
- IAS 1 Presentation of Financial Statements (Amendment to Non-current liabilities with covenants).

The Directors anticipate that the adoption of these standard and the interpretations in future year will have no material impact on the financial statements of the Company.

Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements. When assessing the foreseeable future, the directors have looked at the forecast for the next 12 months and the cash at bank available as at the date of approval of this report and are satisfied that the Group should be able to fund any operating losses.

Foreign currency

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when control of the products has been transferred to the customer. Control is considered to have transferred once products have been received by the customer unless shipping terms dictate otherwise. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. The Board considers that the Company's activities comprise a single operating and reporting segment, as defined under IFRS 8. The Board reviews the performance of the Company by reference to total results against budget. The profit measures used are adjusted EBITDA, operating profit and profit for the year. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Company's financial information.

Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group operates a defined contribution pension scheme for eligible employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the income statement and they become payable in accordance with the rules of the scheme.

Leased assets

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the income statement over the term of the lease and is calculated on an effective interest rate basis. The capital part reduces the amounts payable to the lessor. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months

or less) and leases of low value assets (such as leasing of equipment). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise mainly of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The Group did not make any such adjustments during the years presented.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset and are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of the net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment, or earlier if there is an indication of impairment.

Share-based payment

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period and the corresponding entry has historically been recorded in the share-based payment reserve. However as there is no requirement to maintain a separate reserve the brought forward balance has been transferred to retained earnings in the prior year and the charge posted to the same account; there is no change to the Group's reported capital and reserves. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses. Depreciation is provided to write off cost, less estimated residual values, of all property, plant and equipment, evenly over their expected useful lives, calculated at the following rates:

Plant and equipment	25% straight line
Furniture, fittings & equipment	25% straight line

The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired and its value reduced by recognising an impairment provision.

Intangible assets

(i) Research and development

Expenditure on research activities as defined in IFRS is recognised in the income statement as an expense as incurred. Expenditure on the development of the digital platform is recognised as an intangible asset only when the following criteria are met:

1. it is technically feasible to develop the product to be used or sold;
2. there is an intention to complete and use or sell the product;
3. the Group is able to use or sell the product;
4. use or sale of the product will generate future economic benefits;
5. adequate resources are available to complete the development; and
6. expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready to use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the year in which it is incurred. Capitalised development expenditure is measured at cost less accumulated amortization and accumulated impairment costs. Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years. Development costs that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(ii) Intellectual Property

The Group's intellectual property comprises patents, design rights and trademarks. The costs incurred in obtaining intellectual property have been capitalised. Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years. Intellectual property assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iii) Know How

Know how acquired as part of business combinations is capitalised at fair value at the date of acquisition. Following the initial recognition, the carrying amount of the know how is its cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged on the basis of the estimated useful life on a straight-line basis and the expense is taken to the Statement of Comprehensive Income which management estimate to be ten years, and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the year from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset may be recorded. The deferred tax asset arising on share option awards is calculated as the estimated amount of tax deduction to be

obtained in the future (based on the Group's share price at the balance sheet date) pro-rated to the extent that the services of the employee have been rendered over the vesting year. If this amount exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity, against retained earnings. Similarly, current tax relief in excess of the cumulative amount of the Share-based payments expense at the statutory rate is also recorded in retained earnings.

Inventories

Inventories are initially stated at cost, and subsequently at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Equity and equity instruments

Equity comprises share capital (the nominal value of equity shares), deferred shares, share premium, share-based payment reserve, capital redemption reserve, reverse acquisition reserve and retained earnings. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate. The Group classifies all its financial assets as trade and receivables. The classification depends on the purpose for which the financial assets were acquired.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables financial assets comprise other receivables (excluding prepayments) and cash and cash equivalents included in the Statement of Financial Position.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate. The Group's loans and payables comprise trade and other payables (excluding other taxes and social security costs and deferred income). When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value through the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category. The Group determines the classification of its financial liabilities at initial recognition and re-evaluates the designation at each financial year end. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Summary of critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

- *Useful lives of depreciable assets*

Management reviews the useful lives and residual value of depreciable assets at each reporting date to ensure that the useful lives represent a reasonable estimate of likely years of benefit to the Group. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Intangible assets*

The Group's intangible assets comprise, patents, know-how, goodwill, other development costs, the digital platform and website development. The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of their amortisation profile involves a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets. Should the intangible asset be deemed irrecoverable it will be impaired in the year.

- *Accounting for the acquisition of subsidiaries*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of equity securities. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over

the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

- *Contingent deferred consideration*

This related to performance based contingent consideration payable within one year of £nil (2021: £1,000,000) and £nil (2021: £240,000) relating to the acquisitions of Nell Health Limited and The Genome Store Limited respectively. See note 18 to the accounts for further information.

- *Share-based payments*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 21 Share-based payments.

- *Taxation*

In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the year in which such a determination is made. The carrying values of current tax are disclosed separately in the statement of financial position.

- *Leases*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Years after termination options are not included in the lease term if it is reasonably certain the option will be terminated. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

3. Financial Risk Management

Financial instruments by category

Financial assets	2022	2021
	£'000	£'000
Cash and cash equivalents	7,608	6,387
Trade receivables	1,220	724
Other receivables	7	186
Financial assets	8,835	7,297
Financial liabilities	2022	2021
	£'000	£'000
Trade and payables	493	809
Accruals	1,796	2,059
Other payables	198	331
Trade and other payables	2,487	3,199
Lease liabilities	53	-
Deferred consideration	-	1,240
Financial liabilities at amortised cost	2,540	4,439

Fair value hierarchy

All the financial assets and financial liabilities recognised in the financial statements which are short-term in nature are shown at the carrying value which also approximates the fair values of those short-term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required for them. The disclosure on fair value hierarchy does not apply to the financial leases. The Group's activities expose it to a variety of financial risks, mainly credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy. The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of bank balances. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings.

Liquidity risk

The Group currently holds cash balances to provide funding for normal trading activity and is managed centrally. Trade and other payables are monitored as part of normal management routine.

The maturity of borrowings and other financial liabilities (representing undiscounted contractual cash-flows) is as follows:

2022	Within 1 year £'000	1-2 years £'000	2-5 years £'000
Trade and other payables	2,487	-	-
Lease liabilities	29	24	-
Total	2,516	24	-
2021	Within 1 year £'000	1-2 years £'000	2-5 years £'000
Trade and other payables	3,199	-	-

Market risk - interest rate risk

The Group's exposure to cash flow interest rate risk is minimal. The amounts outstanding at the end of 2022 and the interest rate and repayment profiles for the loans and borrowings are disclosed in the note 17 Lease liabilities.

Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern; and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital available to meet the needs of the Company. All working capital requirements are financed from existing cash resources.

4. Segment information

The In the opinion of the directors, the Group has one class of business, being that of the provision of diagnostic healthcare products.

	2022 £'000	2021 £'000
Revenue for the provision of diagnostic healthcare products	22,314	16,376

	2022	2021
	£'000	£'000
Profit for the provision of diagnostic healthcare products	1,985	2,426
Corporate costs	(481)	(382)
Deferred consideration adjustments	13	(40)
Group profit before and after tax	1,517	2,004
Segment assets	3,778	5,221
Corporate assets	7,650	6,447
Total assets	11,428	11,668
Segment liabilities	2,105	3,057
Corporate liabilities	473	1,498
Total liabilities	2,578	4,555

All the segment assets associated with the provision of diagnostic healthcare products are located in the UK. During the year ended 31 December 2022 sales of diagnostic healthcare products amounting to approximately £18.3m (2021: £13.7m) were made to one customer.

5. Administration expenses

	2022	2021
	£'000	£'000
Auditor remuneration – audit fees		
- Audit of parent company	25	22
- Audit of subsidiaries	17	15
- Other services	10	6
Legal and professional fees	223	312
Depreciation of property, plant and equipment	55	40
Depreciation of right-of-use assets	25	-
Amortisation and impairment of intangible assets	1,507	618
Less amounts charged elsewhere	(1,526)	(187)
Laboratory closure costs (including asset impairment of £55,000)*	226	-
Research and development costs	856	277
Less amounts charged elsewhere	(310)	(102)
Staff costs (note 6)**	573	700
Lease rentals	81	63
Foreign exchange losses	7	1
Share based payments (note 21)	(20)	112
Other administrative expenses**	594	509
	2,343	2,386

*Laboratory closure costs also comprised staff costs of £59,000, property costs of £49,000 and a stock write-off of £63,000.

**The prior year figures for staff costs and other administrative expenses have been restated on a comparable basis to the year under review. Sales and marketing costs of £699,000 have been separately identified and cost of sales adjusted by £6,000.

6. Employees and directors

The average number of employees (including directors) during the year was made up as follows:

	2022 Number	2021 Number
Directors (including non-executive directors)	6	5
Direct labour	2	5
Research and development	5	3
Sales and marketing	2	1
Administrative	6	7
Total	21	21

The cost of employees (including directors) during the year was made up as follows:

	2022 £'000	2021 £'000
Salaries and wages (including directors)	1,210	1,180
Social security costs	133	108
Pension costs	54	41
Share-based payments (relating to employees)	(16)	112
Total staff costs	1,381	1,441

Less sales and marketing staff costs :

Salaries and wages	(357)	(308)
Social security costs	(48)	(41)
Pension costs	(19)	(19)
	(424)	(368)

Less R&D staff costs capitalised and included in direct costs:

Salaries and wages	(341)	(221)
Social security costs	(39)	(29)
Pension costs	(20)	(11)
	(400)	(261)

Salaries and wages (including directors)	512	651
Social security costs	46	38
Pension costs	15	11
Total staff costs (excluding share-based payments) included in administration expenses (note 5)	573	700

Key management personnel compensation

Directors' emoluments for the year were as follows:

	2022 £'000	2021 £'000
Salaries/fees	416	454
Performance related pay	186	170
Other benefits	18	15
Pension costs	26	30
Social security costs	68	72
	714	741
Share-based payments	(16)	102
	698	843

The above remuneration (including share-based payments) includes the following amounts paid to the highest paid Director:

	2022 £'000	2021 £'000
Highest paid Director	336	426

7. Finance costs and finance income

	2022 £'000	2021 £'000
Finance costs		
Lease interest payable	5	2
Finance income		
Bank interest receivable	3	-

8. Tax charge

	2022 £'000	2021 £'000
Tax charge for the year	-	-

Factors affecting the tax charge

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the result for the year are as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before income tax	1,517	2,004
Standard rate of corporation tax	19%	19%
Profit before tax at the standard rate	288	381
<i>Effects of:</i>		
Non-deductible expenses	4	52
Other items	(5)	-
Trading losses brought forward	(303)	(497)
Deferred tax movements not recognised	15	61
Other timing differences	1	3
Tax charge	-	-

The Group has not recognised the deferred tax asset arising from the accumulated tax losses carried forward of approximately £8.2m (2021: £9.6m) due to the uncertainty of their future recovery.

9. Earnings per share

	2022	2021
Basic and diluted		
Profit for the year and earnings used in basic & diluted EPS	£1,517,000	£2,004,000
Weighted average number of shares - basic	774,303,000	710,852,000
Weighted average number of shares – fully diluted	778,223,000	744,056,000
Earnings per share	0.20p	0.28p
Fully diluted earnings per share	0.19p	0.27p

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

10. Property, plant and equipment

	Laboratory equipment £'000	Equipment & Fixtures, fittings £'000	Total £'000
Cost			
At 1 January 2021	55	11	66
Additions	135	12	147
At 31 December 2021	190	23	213
Additions	16	6	22
Disposals	(93)	-	(93)
At 31 December 2022	113	29	142
Depreciation			
At 1 January 2021	2	8	10
Charge for the period	37	3	40
Disposals	-	-	-
At 31 December 2021	39	11	50
Charge for the period	50	5	55
Disposals	(38)	-	(38)
At 31 December 2022	51	16	67
Net book value			
At 31 December 2022	62	13	75
At 31 December 2021	151	12	163

11. Right of use assets

	Laboratory equipment £'000
Cost	
At 1 January 2022	-
Additions	100
At 31 December 2022	100
Depreciation	
At 1 January 2022	-
Charge for the period	25
At 31 December 2022	25
Net book value	
At 31 December 2022	75
At 31 December 2021	-

The maturity analysis of lease liabilities is presented in note 22.

Amounts recognised in the profit or loss account

	2022 £'000	2021 £'000
Depreciation expense on right of use assets	25	-
Interest expense on lease liabilities	5	-
Expense relating to short-term leases	81	63

12. Intangible assets

	Patents £'000	Know-how £'000	Goodwill £'000	Other development costs £'000	Platform and website development £'000	Total £'000
Cost						
At 1 January 2021	108	460	87	882	17	1,554
On acquisition	-	-	987	-	1,202	2,189
Additions	12	-	-	-	90	102
At 31 December 2021	120	460	1,074	882	1,309	3,845
Additions	6	-	-	-	310	316
Disposals	(109)	(460)	(1,074)	(882)	(17)	(2,542)
At 31 December 2022	17	-	-	-	1,602	1,619
Amortisation						
At 1 January 2021	39	-	-	882	17	938
Charge for the year	11	46	-	-	60	117
Impairment	-	414	87	-	-	501
At 31 December 2021	50	460	87	882	77	1,556
Charge for the year	11	-	-	-	131	142
Impairment	50	-	987	-	328	1,365
Disposal	(109)	(460)	(1,074)	(882)	(17)	(2,542)
At 31 December 2022	2	-	-	-	519	521
Net book value						
At 31 December 2022	15	-	-	-	1,083	1,098
At 31 December 2021	70	-	987	-	1,232	2,289

13. Inventories

	2022 £'000	2021 £'000
Raw materials	46	66
Finished goods	1,238	431
	1,284	497

The cost of inventory expensed to cost of sales during the year ended 31 December 2022 amounted to £16,184,000 (2021: £2,640,000); this included an impairment provision of £252,000 (2021: £223,000)

14. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	1,220	724
Prepayments and accrued income	61	1,422
Other receivables	7	186
	1,288	2,332

15. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	7,608	6,387

Where cash at bank earns interest, interest accrues at floating rates based on daily bank deposit rates. The fair value of the cash and cash equivalent is as disclosed above. For the purpose of the cashflow statement, cash and cash equivalents comprise of the amounts shown above.

16. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	493	809
Accruals and deferred income	1,834	2,175
Social security and other taxes payables	130	315
Other payables	68	16
	2,525	3,315

17. Lease Liabilities

	2022 £'000	2021 £'000
Current		
Lease liabilities	29	-
Non-current		
Lease liabilities	24	-
	53	-

The total future value of minimum lease payments is due as follows:

	2022			2021		
	Minimum lease payment £'000	Interest £'000	Present value £'000	Minimum lease payment £'000	Interest £'000	Present value £'000
Within one year	27	1	27	-	-	-
Between one and two years	26	2	26	-	-	-
Between two and five years	-	-	-	-	-	-
Total	53	3	53	-	-	-

18. Contingent deferred consideration

This related to performance based contingent consideration payable within one year in respect of the acquisitions of Nell Health Limited and The Genome Store Limited. The deferred consideration of £240,000 relating to the acquisition of The Genome Store Limited was settled on 25 March 2022 by the issue of shares (see note 19). The deferred consideration of £1m in respect of Nell Health Limited was released in the current year as certain performance milestones were not met. The goodwill associated with the contingent consideration no longer payable has also been impaired in full.

19. Share capital

	2022 £'000	2021 £'000
Deferred shares of 2.4p per share		
264,946,675 (2021: 264,946,675) deferred shares of 2.4p each	6,359	6,359
Ordinary shares		
780,088,967 (2021: 756,088,967) ordinary shares of 0.1p each	780	756
	7,139	7,115

On 25 March 2022 24,000,000 new ordinary shares of 0.1p were issued to settle the deferred contingent consideration payable on the acquisition of The Genome Store Limited of £240,000 after all performance milestones were met.

On 17 January 2023 the Court approved the reduction of the share capital of the Company, involving the cancellation of all the Deferred Shares, the Share Premium Account and the Capital Redemption Reserve. The purpose of the Capital Reduction was to create distributable reserves.

20. Reserves

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

Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based payment reserve	Cumulative fair value of share options granted and recognised as an expense in the Income Statement. The balance on this reserve was transferred to retained earnings in the prior year.
Capital redemption reserve	The aggregate nominal value of all the ordinary shares repurchased and cancelled by the Company. The reserve is non-distributable.
Reverse acquisition reserve	Effect on equity of the reverse acquisition of Concepta Diagnostics Limited.
Retained earnings	Retained earnings represents all other net gains and losses and transactions with shareholders not recognised elsewhere.

21. Share-based payments

The Company operates two share option schemes, namely an unapproved option scheme and an Enterprise Management Incentive (EMI) scheme. The EMI scheme is for employees and eligible directors and the unapproved option scheme is for other directors and consultants providing services to the group.

The share-based payment charged to the Group's profit for the year was as follows:

	2022 £'000	2021 £'000
Options issued to directors and in respect of services received by the parent	54	112
Overprovision in prior year	(74)	-
Total share-based payment (credit)/charge	(20)	112

The table below set outs the number and weighted average exercise price (WAEP) of, and movements in, the Company's share options scheme in the year:

Share options

	2022		2021	
	Number	WAEP	Number	WAEP
Balance brought forward	28,288,500	2.85p	24,455,167	2.57p
Granted	16,000,000	1.60p	22,000,000	3.50p
Exercised year	-	-	(2,500,000)	0.80p
Lapsed during the year	(2,203,900)	4.57p	(15,666,667)	3.65p
Balance carried forward	42,084,600	2.29p	28,288,500	2.85p

During the year 6,000,000 EMI options and 10,000,000 unapproved options were issued at an exercise price of 1.60p. The options vest in equal annual installments over a period of three years. At 31 December 2022 13,084,600 options were exercisable at a WAEP of 2.61p.

The following share options of the Company were outstanding in respect of Ordinary shares at 31 December:

	2022	2021
EMI scheme		
Number of options	20,857,000	17,060,900
Exercise price range	0.8p – 3.5p	0.8p – 3.5p
Exercise period	April 2022 – October 2032	April 2022 – July 2031
Unapproved scheme		
Number of options	21,227,600	11,227,600
Exercise price range	1.6p – 7.5p	3.5p – 7.5p
Exercise period	April 2024 – October 2032	April 2024 – July 2031

The weighted average remaining contractual life for the EMI and non-approved share options outstanding at 31 December 2022 was 8.54 years (2021: 8.05 years).

The fair value of equity settled share options granted under the Company's share option schemes during the year is estimated as at the date of grant using the Black Scholes model. The following table lists the inputs and key output to the model:

	2022	2021
Weighted average fair value at grant date (£)	0.016	0.035
Weighted average share price (£)	0.016	0.035
Exercise price (£)	0.016	0.035
Expected volatility *	17%	20%
Expected options life (years)	3	3
Expected dividends	0%	0%
Risk-free interest rate	4.0%	0.19%

* the expected volatility used in the prior year was adjusted to more accurately reflect the expected life of the options granted in that year.

Warrants

	2022		2021	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	-	-	7,800,300	0.075
Lapsed	-	-	(7,800,300)	(0.075)
At 31 December	-	-	-	-

No warrants were granted or exercised during the year.

22. Lease commitments

The Group leases certain land and buildings. Some of the rents payable under these leases are subject to review at intervals specified in the lease. The lease terms are between 1 to 2 years and with break clauses. The Group also leases certain plant and equipment under cancellable operating lease agreement. The Group also has an office rental lease which can be cancelled at any time. The total future value of minimum lease payments is due as follows:

	2022			2021		
	Plant and equipment £'000	Land and building £'000	Total £'000	Plant and equipment £'000	Land and building £'000	Total £'000
Within one year	1	34	35	-	25	25
Between one and two years	2	47	49	-	5	5
Between two and five years	-	-	-	-	-	-
Total	3	81	84	-	30	30

23. Other commitments

At 31 December 2022 the company had placed purchase orders to the value of £2.8m for the delivery of COVID LFTs during 2023.

24. Related Party Transactions

The Group's COVID-19 testing service uses the Clarigene® SARS-CoV-2 test supplied by Yourgene Health plc ("Yourgene") and the PrimeStore® MTM sample collection device supplied by EKF Diagnostic Holdings PLC ("EKF") which allow samples to be quickly and conveniently taken at home using simple nasal collection swabs which are then sent via free postage for processing using established laboratory-based DNA and RNA detection methods.

On 2 December 2020 it was also announced that the Company had placed initial purchase orders for sample collection devices with EKF, a company of which Adam Reynolds was a director of up until 19 May 2021. On 20 May 2021 the Company signed a Manufacturing Agreement and placed a further purchase order of £1,425,000 with EKF for PrimeStore® MTM sample collection devices. The term of the contract is until December 2022 and may be terminated at 6 months' notice after a 12 month initial term. As the terms of the agreement were negotiated and agreed whilst Mr Reynolds was still a director of EKF, the entering into the agreement and the placing of the purchase orders have been treated as related party transactions. The Company made purchases during the year of £169,000 (2021: £1,887,000) of which £nil (2021: £209,000) was outstanding at the year end.

On 14 April 2020 it was announced that the Company had signed agreements with Abingdon Health PLC ("Abingdon Health"), a company that Mr Lyn Rees was appointed a director of on 22 June 2020, for Abingdon Health to acquire the company's LFT manufacturing site in Doncaster, for the technical transfer of the manufacturing processes, the further development of LFT devices, and for the continuing contract manufacturing and supply of myLotus® testing strips for a total cash consideration of approximately £300,000. As part of the asset purchase agreement, it was agreed that the Company would assign the leases on the facility and machinery, transfer the staff, and sell its residual manufacturing equipment to Abingdon Health. In the event the assignment of the leases took longer than anticipated and during the intervening period the Company continued to make payments to the lessor and was reimbursed by Abingdon Health. During the year the Company made payments amounting to £nil (2021: £46,000) on Abingdon Health's behalf of which £nil (2021: £131,000) was outstanding at the year end.

During the year ended 31 December 2022 director's fees of £50,000 (2021: £58,000) were paid to Reyco Limited, a company in which Mr Reynolds has an interest, for services provided by Mr Adam Reynolds as Chairman. The amount outstanding at 31 December 2022 was £5,000 (2021: £12,000)

During the year ended 31 December 2022 director's fees of £29,000 (2021: £40,000) were paid to LJ Consultancy for the services provided by Mr Lyn Rees as a Non- executive director. The amount outstanding at 31 December 2022 was £3,000 (2021: £12,000).

25. Events after the reporting date

On 17 January 2023 the Court approved the reduction of the share capital of the Company, involving the cancellation of all the Deferred Shares, the Share Premium Account and the Capital Redemption Reserve. The purpose of the Capital Reduction was to create distributable reserves.

26. Ultimate controlling party

There is no ultimate controlling party of the Company.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

		2022	2021
	Notes	£'000	£'000
Non-current assets			
Investment in subsidiary	4	4,243	4,652
Net amounts due from subsidiary	6	-	3,982
Total non-current assets		4,243	8,634
Current assets			
Trade and other receivables	5	42	60
Cash and cash equivalents	7	5,951	1,085
Total current assets		5,993	1,145
Total assets		10,236	9,779
Current liabilities			
Trade and other payables	8	1,387	258
Total current liabilities		1,387	258
Net assets		8,849	9,521
Share capital	9	780	756
Deferred shares		6,359	6,359
Share premium		16,887	16,671
Capital redemption reserve		1,815	1,815
Retained losses	2	(16,992)	(16,080)
Total equity		8,849	9,521

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own income statement. The Company's loss for the year was £892,000 (2021: £3,976,000) and is included within the consolidated statement of comprehensive income.

These financial statements were approved and authorised for issue by the Board of directors on 31 March 2023 and were signed on its behalf by:


Nicholas Edwards
Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Deferred shares	Share premium	Capital redemption reserve	Share-based Payment Reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity as at 1 January 2021	518	6,359	12,442	1,815	887	(13,103)	8,918
Loss for the year	-	-	-	-	-	(3,976)	(3,976)
Total comprehensive loss						(3,976)	(3,976)
Transfer from share based payment reserve	-	-	-	-	(887)	887	-
Issue of new shares (net of expenses)	194	-	2,979	-	-	-	3,173
Conversion of loan note and accrued interest	13	-	92	-	-	-	105
Exercise of share options	2	-	18	-	-	-	20
Other share issue	1	-	16	-	-	-	17
Share-based payments (note 21)	-	-	-	-	-	112	112
Acquisition of Nell Health Limited	28	-	1,124	-	-	-	1,152
Equity as at 31 December 2021	756	6,359	16,671	1,815	-	(16,080)	9,521
Loss for the year	-	-	-	-	-	(892)	(892)
Total comprehensive loss						(892)	(892)
Issue of shares (net of expenses)	24	-	216	-	-	-	240
Share-based payment (note 21)	-	-	-	-	-	(20)	(20)
Equity as at 31 December 2022	780	6,359	16,887	1,815	-	(16,992)	8,849

The accompanying notes are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies that are applicable, as set out in note 2 to the consolidated financial statements have been applied together with the following accounting policies below that have been consistently in the preparation of these MyHealthChecked PLC ("the Company") financial statements.

Basis of preparation

The financial statements of MyHealthChecked PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 1 Presentation of Financial Statements to disclose information regarding the management of capital;
- The requirements of IAS 7 Statement of Cash Flows and related notes;
- The requirements of IAS 24 Related Party Disclosures to disclose key management personnel compensation and to disclose related party transactions entered into between members of a group, provided that any subsidiary which is a party to the transaction is wholly owned;
- Certain disclosures of IAS 36 Impairment of Assets relating assumptions and valuation techniques used in impairment calculations;
- The requirements of IFRS 2 Share Based Payments to disclose narrative information concerning share-based payment arrangements;
- The requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of the impact standards in issue but not yet effective.

Investment in subsidiary

The Company's investment in its subsidiary is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon either the underlying net asset value or future cash flow forecasts which are based upon management judgement.

Share-based payments

The accounting policy for share-based payments is disclosed in note 2 of the consolidated financial statements.

Taxation

The accounting policy for taxation is disclosed in note 2 of the consolidated financial statements.

Critical accounting estimates and judgments

The preparation of financial information in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

1. Measurements of the share-based payment and taxation. These are detailed in the Group accounts under note 2. Accounting Policies – Summary of critical accounting estimates and judgements.
2. Impairment of investment. This is detailed in the accounting policy "Investment in subsidiary" above.

3. The net amounts due from subsidiary in the prior year was measured at amortised cost using the effective interest method. Management estimated the effective interest rate used for the amortised cost calculation and the repayment year was based on management judgement.
4. The impairment of net amounts due from the subsidiary was based upon the underlying asset value and future cash flow forecasts and these forecasts are based upon management judgement.

2. Company income statement

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own income statement. The Company's loss for the year was £892,000 (2021: £3,976,000) and is included within the consolidated statement of comprehensive income.

3. Staff costs

Details of Directors' emoluments are provided in the Directors' Report.

4. Investment in subsidiary

	Investment in Subsidiary £'000
Cost	
At 1 January 2021 and 2022	6,469
Capitalisation of intercompany debt	8,272
At 31 December 2022	14,741
Impairment	
At 1 January 2021 and 2022	1,817
Transfer of provision against intercompany debt now capitalised	8,271
Charge in current year	410
At 31 December 2022	10,498
Net book value	
At 31 December 2022	4,243
At 1 January 2021	4,652

The company's wholly owned subsidiary (which was incorporated in the United Kingdom) is Concepta Diagnostics Limited ("CDL"), a healthcare company whose principal place of business is in Cardiff, Wales. CDL also has a 100% interest in two dormant subsidiary companies, Nell Health Limited and The Genome Store Limited, both of which are also incorporated in the United Kingdom.

5. Trade and other receivables

	2022 £'000	2021 £'000
Prepayments	42	60

6. Net amounts due from subsidiary

At initial recognition, the fair value of the interest-free carrying amounts owed by Concepta Diagnostics Limited ("the loan") to the Company was measured at the present value of all future cash receipts discounted using the prevailing market interest rate of 2.19 % and management considered the loan to be repaid by end of five years. The difference between the initial carrying amount and the fair value was capitalised and included in "Investments in subsidiaries". After initial recognition, the loan was measured at amortised cost using the effective interest method. During the current year part of the loan was capitalised in a debt for equity swap and the remaining balance repaid in full. At 31 December 2021, the amount owed by Concepta Diagnostics Limited was £12,253,000 less impairments of £8,271,000 giving a net balance due of £3,982,000.

7. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	5,951	1,085

8. Trade and other payables

	2022 £'000	2021 £'000
Amounts owed to subsidiary undertaking	914	-
Accruals	307	96
Social security and other taxes payable	145	88
Other payables	21	74
	1,387	258

9. Share capital

For details of share capital see note 19 of the consolidated financial statements.

10. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with Concepta Diagnostics Limited that is wholly owned subsidiary of MyHealthChecked PLC. There are no other related party transactions other than those relating to Directors that have been disclosed in note 24 of the consolidated statements.

11. Events after the reporting date

On 17 January 2023 the Court approved the reduction of the share capital of the Company, involving the cancellation of all the Deferred Shares, the Share Premium Account and the Capital Redemption Reserve. The purpose of the Capital Reduction was to create distributable reserves.

12. Ultimate controlling party

The Company does not have an ultimate controlling party.

ADVISORS

Nominated advisor:	Spark Advisory Partners Ltd 5, St John's Lane Farringdon London EC1M 4BH
Broker:	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW
Bankers:	HSBC
Auditors:	Jeffreys Henry LLP 5-7 Cranwood Street Finsgate London EC1V 9EE
Solicitors:	BPE Solicitors LLP St. James House St. James Square Cheltenham GL50 3PR
Registrars:	Neville Registrars Steelpark Road, Halesowen B62 8HD
Company Number:	06573154
Website:	www.MyHealthCheckedplc.com