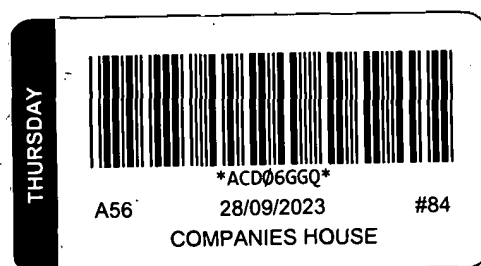


**LOCUMTAP LTD  
STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**Locumtap Ltd**  
**Directors' Report and Financial Statements**  
**For The Year Ended 31 December 2022**

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**Locumtap Ltd**  
**Company Information**  
**For The Year Ended 31 December 2022**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Jing Ouyang<br>Anas Nader<br>Anca Babor<br>David Foreman<br>Michael Tobin<br>Martin Le Huray |
| <b>Company Number</b>    | 10359095   |
| <b>Registered Office</b> | Canvas Building<br>35 Luke Street<br>London<br>EC2A 4LH                                      |
| <b>Accountants</b>       | Finerva<br>Mappin House<br>4 Winsley Street<br>London<br>W1W 8HF                             |
| <b>Auditors</b>          | Cooper Parry Group Limited<br>1 Finsbury Avenue<br>Broadgate<br>EC2M 2PF                     |

## **Locumtap Ltd Strategic Report For The Year Ended 31 December 2022**

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The directors present their strategic report for the year ended 31 December 2022.

### **Review of the Business**

Locumtap Ltd generated revenue of £3.3m (2021: revenue £2.1m) resulting in a loss before tax of £6.7m in 2022 (2021: loss before tax of £3.1m).

We remain confident in our business prospects as we continue to maintain and expand our market share in our core healthcare sector and focus on further expanding our product offering.

### **Key Performance Indicators**

#### **Turnover**

For the year under review, turnover increased 52% to £3,260,425, compared to £2,143,528 in the previous year due primarily to the addition of new customers and expansion of our existing contracts.

#### **Headcount**

Head count increased from an average of 67 in the previous year to 99.

Other key performance indicators include commercial metrics such as annual recurring revenue, net revenue retention and cost of acquisition.

### **Future Developments**

The directors anticipate the business environment will remain competitive. With careful focus on appropriate diversification and development of new products, as well as continuing review of the state of the market and activities of competitors, the directors are confident in the company's ability to maintain and build on its position in the market, albeit with cautious growth expectations in the short term.

### **Principal Risks and Uncertainties**

The company faces operational and market risks in the normal course of business. The directors have assessed the main risks facing the group as being liquidity risk, market risk, employee retention and regulation/industry changes

#### **Liquidity risk**

Liquidity risk is managed on a day to day basis by the Finance Team who are regularly reviewing cash flow, financial performance and projections. This forms a key part of Board discussions, with the business looking at both short term and long term liquidity on an ongoing basis.

#### **Market risk**

We have market risk due to reliance on key customers. We aim to mitigate this risk throughout the next financial year by diversifying product range and customer base.

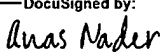
#### **Employee Retention**

The company's performance and growth is dependent on the ability to hire and retain the right people with the mix of skills and experience to serve our customers, attract new ones and develop our product.

#### **Regulation/Industry Changes**

The company operates within the Healthcare sector which is highly regulated. Any changes to regulations could impact the way in which we provide services.

On behalf of the board

DocuSigned by:  
  
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Anas Nader

Director

Date 27 September 2023

**Locumtap Ltd**  
**Company No. 10359095**  
**Directors' Report For The Year Ended 31 December 2022**

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

**Principal Activity**

The company's principal activity continues to be that of providing an end-to-end workforce management solution to the NHS and our partners.

**Future Developments**

Details of future developments can be found in the strategic report on page 2 and form part of this report by cross-reference.

**Dividends**

The directors do not recommend the payment of a dividend (2021: £nil).

**Directors**

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

Jing Ouyang  
Anas Nader  
Anca Babor  
David Foreman  
Michael Tobin  
Martin Le Huray Appointed 01/08/2022

**Research and Development**

The Company's research and development team are predominantly based in the UK and are primarily focused on developing Patchwork Health core products.

**Post Balance Sheet Events**

Details of significant events occurring since the balance sheet date are disclosed in note 20 to the financial statements.

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Locumtap Ltd**  
**Directors' Report (continued)**  
**For The Year Ended 31 December 2022**


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**Statement of Disclosure of Information to Auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

DocuSigned by:  
  
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Anas Nader

Director

Date 27 September 2023

## **Independent Auditor's Report to the Members of Locumtap Ltd**

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### **Opinion**

We have audited the financial statements of Locumtap Ltd for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes of Equity, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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, 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.

### **Material uncertainty related to going concern**

We draw attention to the going concern accounting policy as stated in note 1.2, which describes the directors' assessment of the level and timing of funding needed which could impact the company's ability to trade over the year ahead. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in preparing the financial statements is appropriate.

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

### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report (continued)  
to the Members of  
Locumtap Ltd**

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**Matters on Which We Are Required to Report by Exception**

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or 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 3—4, 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 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 company or to cease operations, or have no realistic alternative but to do so.



## **Independent Auditor's Report (continued) to the Members of Locumtap Ltd**

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 engagement partner ensured that 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 discussion with directors and other management, and from our commercial knowledge and experience;
- 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 regarding any instances of known or suspected fraud or non-compliance with laws and regulations, as well as any actual or potential litigation and claims;
- Gaining an understanding of the design and implementation of the processes and controls in place within the company which are designed to prevent, detect or correct fraud or error within the financial statements.

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

- Reviewed correspondence with legal and regulatory bodies where applicable;
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Reviewed the detail of certain nominal accounts for indications of management override;
- Challenged the accounting treatment applied in respect of revenue recognised during the year, in particular in relation to manual adjustments made to revenue;
- Identified and tested journal entries which we considered to be unusual and may be indicative of bias on the part of management or those charged with governance, investigating the rationale behind significant or unusual transactions.

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](http://www.frc.org.uk/auditorsresponsibilities).

### **Other matters - unaudited comperatives**

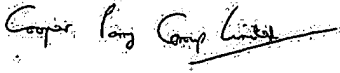
Comperative information in the financial statements is derived from the company's prior period financial statements, which were not audited.

### **Use Of Our Report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent Auditor's Report (continued)  
to the Members of  
Locumtap Ltd**

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David Fotheringham (Senior Statutory Auditor)  
for and on behalf of Cooper Parry Group Limited, Statutory Auditor

Date 27 September 2023

Cooper Parry Group Limited  
1 Finsbury Avenue  
Broadgate  
EC2M 2PF

**Locumtap Ltd**  
**Statement of Comprehensive Income**  
**For The Year Ended 31 December 2022**

|  | Notes     | 2022<br>£   | 2021<br>£   |
|--|-----------|-------------|-------------|
| <b>TURNOVER</b>  | <b>3</b>  | 3,260,425   | 2,143,528   |
| Cost of sales  |           | (933,510)   | (634,789)   |
| <b>GROSS PROFIT</b>  |           | 2,326,915   | 1,508,739   |
| Administrative expenses                                      |           | (9,079,453) | (4,566,755) |
| Other operating income                                       |           | 5,228       | 7,500       |
| <b>OPERATING LOSS</b>  | <b>5</b>  | (6,747,310) | (3,050,516) |
| Other interest receivable and similar income                 | <b>10</b> | 12,517      | 241         |
| <b>LOSS BEFORE TAXATION</b>                                  |           | (6,734,793) | (3,050,275) |
| Tax on Loss  | <b>11</b> | 1,237,572   | 754,330     |
| <b>LOSS AFTER TAXATION BEING LOSS FOR THE FINANCIAL YEAR</b> |           | (5,497,221) | (2,295,945) |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                           |           | (5,497,221) | (2,295,945) |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>               |           | -           | -           |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>               |           | (5,497,221) | (2,295,945) |

The notes on pages 13 to 22 form part of these financial statements.

**Locumtap Ltd**  
**Balance Sheet**  
**As At 31 December 2022**

|   |       | 2022             |                    | 2021             |                    |
|---|-------|------------------|--------------------|------------------|--------------------|
|   | Notes | £                | £                  | £                | £                  |
| <b>FIXED ASSETS</b>                                   |       |                  |                    |                  |                    |
| Intangible Assets                                     | 12    |                  | 2,432,916          |                  | 1,483,746          |
| Tangible Assets                                       | 13    |                  | 25,596             |                  | 58,071             |
|   |       |                  | <u>2,458,512</u>   |                  | <u>1,541,817</u>   |
| <b>CURRENT ASSETS</b>                                 |       |                  |                    |                  |                    |
| Debtors   | 14    | 2,282,494        |                    | 2,253,535        |                    |
| Cash at bank and in hand                              |       | <u>7,581,401</u> |                    | <u>1,918,718</u> |                    |
|   |       | 9,863,895        |                    | 4,172,253        |                    |
| <b>Creditors: Amounts Falling Due Within One Year</b> | 15    | <u>(812,384)</u> |                    | <u>(607,045)</u> |                    |
| <b>NET CURRENT ASSETS (LIABILITIES)</b>               |       |                  | <u>9,051,511</u>   |                  | <u>3,565,208</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       |                  | <u>11,510,023</u>  |                  | <u>5,107,025</u>   |
| <b>NET ASSETS</b>                                     |       |                  | <u>11,510,023</u>  |                  | <u>5,107,025</u>   |
| <b>CAPITAL AND RESERVES</b>                           |       |                  |                    |                  |                    |
| Called up share capital                               | 16    |                  | 857                |                  | 587                |
| Share premium account                                 |       |                  | 21,037,554         |                  | 9,387,463          |
| Other reserves  |       |                  | 249,858            |                  | -                  |
| Profit and Loss Account                               |       |                  | <u>(9,778,246)</u> |                  | <u>(4,281,025)</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            |       |                  | <u>11,510,023</u>  |                  | <u>5,107,025</u>   |

On behalf of the board

DocuSigned by:

Anas Nader

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Anas Nader

Director

Date 27 September 2023

The notes on pages 13 to 22 form part of these financial statements.

**Locumtap Ltd**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2022**

|  | Share<br>Capital | Share<br>Premium | Other<br>reserves | Profit and<br>Loss<br>Account | Total       |
|--|------------------|------------------|-------------------|-------------------------------|-------------|
|  | £                | £                | £                 | £                             | £           |
| As at 1 January 2021                             | 466              | 4,954,177        | -                 | (1,985,080)                   | 2,969,563   |
| Loss for the year and total comprehensive income | -                | -                | -                 | (2,295,945)                   | (2,295,945) |
| Arising on shares issued during the period       | 121              | 4,619,732        | -                 | -                             | 4,619,853   |
| Expenses on shares issued during the period      | -                | (186,446)        | -                 | -                             | (186,446)   |
| As at 31 December 2021 and 1 January 2022        | 587              | 9,387,463        | -                 | (4,281,025)                   | 5,107,025   |
| Loss for the year and total comprehensive income | -                | -                | -                 | (5,497,221)                   | (5,497,221) |
| Arising on shares issued during the period       | 270              | 12,250,537       | -                 | -                             | 12,250,807  |
| Expenses on shares issued during the period      | -                | (600,446)        | -                 | -                             | (600,446)   |
| Movements in other reserves                      | -                | -                | 856               | -                             | 856         |
| Movements in share options reserve               | -                | -                | 249,002           | -                             | 249,002     |
| As at 31 December 2022                           | 857              | 21,037,554       | 249,858           | (9,778,246)                   | 11,510,023  |

**Locumtap Ltd**  
**Statement of Cash Flows**  
**For The Year Ended 31 December 2022**

|   | Notes | 2022<br>£   | 2021<br>£   |
|---|-------|-------------|-------------|
| <b>Cash flows from operating activities</b>         |       |             |             |
| Net cash used in operations                         | 1     | (6,225,979) | (2,825,713) |
| Tax refunded  |       | 1,147,127   | -           |
| Net cash used in operating activities               |       | (5,078,852) | (2,825,713) |
| <b>Cash flows from investing activities</b>         |       |             |             |
| Purchase of intangible assets                       |       | (1,176,332) | (835,997)   |
| Purchase of tangible assets                         |       | (2,795)     | (51,230)    |
| Proceeds from disposal of tangible assets           |       | 6,161       | -           |
| Grants received                                     |       | 5,228       | 7,500       |
| Interest received                                   |       | 12,517      | 241         |
| Net cash used in investing activities               |       | (1,155,221) | (879,486)   |
| <b>Cash flows from financing activities</b>         |       |             |             |
| Proceeds from issue of share capital                |       | 11,651,217  | 4,433,407   |
| Share options reserve                               |       | 249,002     | -           |
| Net cash generated from financing activities        |       | 11,900,219  | 4,433,407   |
| Increase in cash and cash equivalents               |       | 5,666,146   | 728,208     |
| Cash and cash equivalents at beginning of year      | 2     | 1,918,718   | 1,192,381   |
| Foreign exchange gains on cash and cash equivalents |       | (3,463)     | (1,871)     |
| Cash and cash equivalents at end of year            | 2     | 7,581,401   | 1,918,718   |

**Locumtap Ltd**  
**Notes to the Statement of Cash Flows**  
**For The Year Ended 31 December 2022**

**1. Reconciliation of loss for the financial year to cash used in operations**

|  | <b>2022</b>        | <b>2021</b>        |
|--|--------------------|--------------------|
|  | <b>£</b>           | <b>£</b>           |
| Loss for the financial year                    | (5,497,221)        | (2,295,945)        |
| <i>Adjustments for:</i>                        |                    |                    |
| Tax on loss                                    | (1,237,572)        | (754,330)          |
| Interest income                                | (12,517)           | (241)              |
| Amortisation of intangible assets              | 227,162            | 122,252            |
| Depreciation of tangible assets                | 29,109             | 28,025             |
| Grant income                                   | (5,228)            | (7,500)            |
| Foreign exchange gains                         | 3,463              | 1,871              |
| <i>Movements in working capital:</i>           |                    |                    |
| Decrease/(increase) in trade and other debtors | 61,486             | (328,171)          |
| Increase in trade and other creditors          | 205,339            | 408,326            |
| Net cash used in operations                    | <u>(6,225,979)</u> | <u>(2,825,713)</u> |

**2. Cash and cash equivalents**

Cash and cash equivalents, as stated in the Statement of Cash Flows, relates to the following items in the Balance Sheet:

|                          | <b>2022</b>      | <b>2021</b>      |
|--------------------------|------------------|------------------|
|                          | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand | <u>7,581,401</u> | <u>1,918,718</u> |

**3. Analysis of changes in net funds**

|  | <b>As at 1<br/>January<br/>2022</b> | <b>Cash flows</b> | <b>As at 31<br/>December<br/>2022</b> |
|--|-------------------------------------|-------------------|---------------------------------------|
|  | <b>£</b>                            | <b>£</b>          | <b>£</b>                              |
| Cash at bank and in hand                   | 1,918,718                           | 5,662,683         | 7,581,401                             |
| Finance leases                             | -                                   | -                 | -                                     |
| Debts falling due within one year          | -                                   | -                 | -                                     |
| Debts falling due after more than one year | -                                   | -                 | -                                     |
|  | <u>1,918,718</u>                    | <u>5,662,683</u>  | <u>7,581,401</u>                      |

## **Locumtap Ltd** **Notes to the Financial Statements** **For The Year Ended 31 December 2022**

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### **1. General Information**

Locumtap Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 10359095. The registered office is Canvas Building, 35 Luke Street, London, EC2A 4LH.

### **2. Accounting Policies**

#### **2.1. Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The financial statements are prepared in sterling (£), and are prepared for the year 31 December 2022 (2021: year ended 31 December 2021).

**The figures for 2021 are unaudited.**

The following principal accounting policies have been applied:

#### **2.2. Going Concern Disclosure**

At the time of signing these accounts, the directors have considered the cash and funding needs of the company for the next 12 months and have concluded that the financial statements should be prepared on a going concern basis. In forming this opinion, the directors have highlighted the need for further funding within 12 months of the signing of the accounts which is in line with its planned growth strategy. The Company has continued to grow valuation since the last funding in which the company successfully raised £12m. Therefore the directors are confident the funding round needed within the next 12 months will be successful however the directors also acknowledge the level of uncertainty involved and that if further funding is not successful it would cast significant doubt over the companies ability to continue to trade.

#### **2.3. Turnover**

Revenue is recognised to the extent there are probable economic benefits that will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided.

Revenue is recognised for both transactional or subscription based contracts. For transactional contracts revenue is recognised based on usage, for subscription contracts revenue is recognised on a straight line basis over the contract term.

#### **2.4. Research and Development**

Expenditure on research activities is recognised within profit or loss as an expense is incurred.

Development costs are capitalised only where they can be identified with a specific product or project that will generate probable future economic benefits, the costs can be reliably measured and all the criteria under FRS 102 are met. They are amortised on a straight line basis to profit or loss over their estimated useful life. All other development costs are expenses as incurred.

Capitalised development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance is written off to profit or loss.

Capitalised development costs are not treated as a realised loss for the purpose of determining the company's distributable profits as the costs meet the conditions permitting them to be treated as an asset under FRS 102.

All intangible assets are considered to have a finite useful life. The estimated useful lives are as follows:

Development costs – Over 10 years on a straight line basis

At each reporting date the company assesses whether there is any indication of impairment. If such indications exist, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. Any impairment loss is recognised immediately as an expense within profit or loss.



**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

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## 2.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |                                       |
|---------------------|---------------------------------------|
| Fixtures & Fittings | Over 3 years on a straight line basis |
| Computer Equipment  | Over 3 years on a straight line basis |

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

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use. Any impairment loss is recognised immediately as an expense within the profit or loss.

## 2.6. Leases

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

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

## 2.7. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

## 2.8. Financial Instruments

### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction prices less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

### Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised within profit or loss.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

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

## 2.9. Interest Receivable

Interest receivable is recognised in profit or loss as it accrues, using the effective interest rate method.

## 2.10. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

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**2.11. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**2.12. Pensions**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**2.13. Government Grant**

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

**2.14. Judgements in applying accounting policies and key sources of estimation and uncertainty.**

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgment in applying the company's accounting policies. The following management judgements have had the most significant effect on the amounts recognised in these financial statements.

**Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Impairments are made specifically against invoices where recoverability is uncertain. The company make allowances for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment for doubtful debts. Where the expectation is different from the original estimate, such a difference will impact the carrying value of trade debtors and the charge in the statement of comprehensive income.

**2.15. Share based payments**

Locumtap Limited have share options in issue, all options which have been granted have non-market vesting conditions attached and all share options which have been granted are of the same class: Ordinary shares which are exercisable between three and ten years following their grant. These are granted at the discretion of the directors and vest on a straight line basis over the vesting period. There are no cash settlement alternatives for the employees therefore these are all accounted for under FRS 102.

The fair value of share options granted is estimated at the date of grant. The grant date for accounting purposes is at various points as the options were issued, as this is when a shared understanding of the terms and conditions of the arrangements was achieved between the various parties. A non-marketability discount was applied when assessing the fair value at grant date.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model.

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**3. Turnover**

The whole of the turnover is attributable to the company's principle business activity and derived solely within the UK.

**4. Other Operating Income**

|              | <b>2022</b>  | <b>2021</b>  |
|--------------|--------------|--------------|
|              | <b>£</b>     | <b>£</b>     |
| Grant income | 5,228        | 7,500        |
|              | <u>5,228</u> | <u>7,500</u> |

**5. Operating Loss**

The operating loss is stated after charging:

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Bad debts                               | 3,139          | -              |
| Depreciation of tangible fixed assets   | 29,109         | 28,025         |
| Amortisation of intangible fixed assets | 227,162        | 122,252        |
|   | <u>259,410</u> | <u>150,277</u> |

**6. Auditor's Remuneration**

Remuneration received by the company's auditors during the year was as follows:

|   | <b>2022</b>   | <b>2021</b> |
|---|---------------|-------------|
|   | <b>£</b>      | <b>£</b>    |
| <b>Audit Services</b>                       |               |             |
| Audit of the company's financial statements | 23,000        | -           |
|   | <u>23,000</u> | <u>-</u>    |

**7. Staff Costs**

Staff costs, including directors' remuneration, were as follows:

|                       | <b>2022</b>      | <b>2021</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 4,514,151        | 2,651,206        |
| Social security costs | 702,245          | 400,488          |
| Other pension costs   | 210,741          | 94,708           |
|                       | <u>5,427,137</u> | <u>3,146,402</u> |

**8. Average Number of Employees**

Average number of employees during the year was as follows

|                                   | <b>2022</b> | <b>2021</b> |
|-----------------------------------|-------------|-------------|
| Office and administration         | 15          | 10          |
| Sales, marketing and distribution | 21          | 18          |
| Research and Development          | 45          | 29          |
| Client Operations                 | 18          | 10          |
|                                   | <u>99</u>   | <u>67</u>   |

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**9. Directors' remuneration**

|            | <b>2022</b>    | <b>2021</b>    |
|------------|----------------|----------------|
|            | <b>£</b>       | <b>£</b>       |
| Emoluments | 291,650        | 249,167        |
|            | <u>291,650</u> | <u>249,167</u> |

The number of directors to whom retirement benefits were accruing was as follows:

|                                | <b>2022</b> | <b>2021</b> |
|--------------------------------|-------------|-------------|
| Money purchase pension schemes | 2           | 2           |
|                                | <u>2</u>    | <u>2</u>    |

The pension accrued and unpaid to the highest paid director at 31 December 2022 was £4,648.

Information regarding the highest paid director was as follows:

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Emoluments  | 163,526        | 140,833        |
| Company contributions to money purchase pension schemes | 6,483          | 4,225          |
|   | <u>170,009</u> | <u>145,058</u> |

**10. Interest Receivable and Similar Income**

|                          | <b>2022</b>   | <b>2021</b> |
|--------------------------|---------------|-------------|
|                          | <b>£</b>      | <b>£</b>    |
| Bank interest receivable | 12,517        | 241         |
|                          | <u>12,517</u> | <u>241</u>  |

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**11. Tax on Profit**

The tax credit on the loss for the year was as follows:

|  | <b>Tax Rate</b> |             | <b>2022</b>        | <b>2021</b>      |
|--|-----------------|-------------|--------------------|------------------|
|  | <b>2022</b>     | <b>2021</b> | <b>£</b>           | <b>£</b>         |
| <b>Current tax</b>                     |                 |             |                    |                  |
| UK Corporation Tax                     | 19.0%           | 19.0%       | (1,237,572)        | (754,330)        |
| <b>Total tax charge for the period</b> |                 |             | <u>(1,237,572)</u> | <u>(754,330)</u> |

The actual credit for the year can be reconciled to the expected credit for the year based on the deficit and the standard rate of corporation tax as follows:

|   | <b>2022</b>        | <b>2021</b>        |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| <b>Profit before tax</b>                  | <u>(6,734,793)</u> | <u>(3,050,275)</u> |
| Tax on profit at 19% (UK standard rate)   | (1,232,300)        | (579,552)          |
| Goodwill/depreciation not allowed for tax | 48,692             | 28,553             |
| Expenses not deductible for tax purposes  | 26,200             | 11,713             |
| Tax losses utilised                       | 1,621,646          | 988,431            |
| Capital allowances                        | (575)              | (170,587)          |
| Research and Development tax credit       | (1,237,572)        | (754,330)          |
| Tax incentives                            | (916,582)          | (558,679)          |
| Tax losses unutilised carried forward     | 452,919            | 280,121            |
| <b>Total tax charge for the period</b>    | <u>(1,237,572)</u> | <u>(754,330)</u>   |

The company has prepared a research and development claim for the financial year ending 31 December 2022. The expected value of the tax refund relating to these claims has been provided for within these financial statements. The claims are still subject to review and acceptance by HM Revenue and Customs.

**12. Intangible Assets**

|                            | <b>Development Costs</b> |
|----------------------------|--------------------------|
|                            | <b>£</b>                 |
| <b>Cost</b>                |                          |
| As at 1 January 2022       | 1,721,466                |
| Additions                  | 1,176,332                |
| As at 31 December 2022     | <u>2,897,798</u>         |
| <b>Amortisation</b>        |                          |
| As at 1 January 2022       | 237,720                  |
| Provided during the period | 227,162                  |
| As at 31 December 2022     | <u>464,882</u>           |
| <b>Net Book Value</b>      |                          |
| As at 31 December 2022     | <u>2,432,916</u>         |
| As at 1 January 2022       | <u>1,483,746</u>         |

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**13. Tangible Assets**

|                            | <b>Fixtures &amp;<br/>Fittings</b> | <b>Computer<br/>Equipment</b> | <b>Total</b>  |
|----------------------------|------------------------------------|-------------------------------|---------------|
|                            | <b>£</b>                           | <b>£</b>                      | <b>£</b>      |
| <b>Cost</b>                |                                    |                               |               |
| As at 1 January 2022       | 950                                | 111,118                       | 112,068       |
| Additions                  | -                                  | 2,795                         | 2,795         |
| Disposals                  | -                                  | (40,333)                      | (40,333)      |
| As at 31 December 2022     | <u>950</u>                         | <u>73,580</u>                 | <u>74,530</u> |
| <b>Depreciation</b>        |                                    |                               |               |
| As at 1 January 2022       | 950                                | 53,047                        | 53,997        |
| Provided during the period | -                                  | 29,109                        | 29,109        |
| Disposals                  | -                                  | (34,172)                      | (34,172)      |
| As at 31 December 2022     | <u>950</u>                         | <u>47,984</u>                 | <u>48,934</u> |
| <b>Net Book Value</b>      |                                    |                               |               |
| As at 31 December 2022     | <u>-</u>                           | <u>25,596</u>                 | <u>25,596</u> |
| As at 1 January 2022       | <u>-</u>                           | <u>58,071</u>                 | <u>58,071</u> |

**14. Debtors**

|                                     | <b>2022</b>      | <b>2021</b>      |
|-------------------------------------|------------------|------------------|
|                                     | <b>£</b>         | <b>£</b>         |
| <b>Due within one year</b>          |                  |                  |
| Trade debtors                       | 706,355          | 593,137          |
| Prepayments and accrued income      | 282,304          | 81,869           |
| Other debtors                       | 56,263           | 417,949          |
| Corporation tax recoverable assets  | 1,237,572        | 1,147,127        |
|                                     | <u>2,282,494</u> | <u>2,240,082</u> |
| <b>Due after more than one year</b> |                  |                  |
| Other long term debtor              | -                | 13,453           |
|                                     | <u>-</u>         | <u>13,453</u>    |
|                                     | <u>2,282,494</u> | <u>2,253,535</u> |

**15. Creditors: Amounts Falling Due Within One Year**

|                              | <b>2022</b>    | <b>2021</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| Trade creditors              | 178,417        | 191,942        |
| Other creditors              | 57,738         | 54,889         |
| Taxation and social security | 231,052        | 166,103        |
| Accruals and deferred income | 345,177        | 194,111        |
|                              | <u>812,384</u> | <u>607,045</u> |

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**16. Share Capital**

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Allotted, called up and fully paid</b> |             |             |
| 390,900 Ordinary Shares of £0.001 each    | 391         | 391         |
| 196,000 Ordinary A shares of £0.001 each  | 196         | 196         |
| 269,604 Ordinary B shares of £0.001 each  | 270         | -           |
|   | <u>857</u>  | <u>587</u>  |
| <b>Shares issued during the period:</b>   |             | <b>£</b>    |
| 269,604 Ordinary B shares of £0.001 each  |             | <u>270</u>  |

All classes of shares have full rights regarding voting, payment of dividends and distributions, except as set out in the articles of association of the company.

On the return of capital on a liquidation or winding up or share sale, B shares will receive in priority to any other classes of shares, an amount equating, in aggregate, to the issue price of those B shares.

On 1 August 2022 269,604 B shares were issued with a nominal value of £0.001 per share and a price paid of £45.44 per share.

**17. Other Commitments**

The total of future minimum lease payments under non-cancellable operating leases are as following:

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Not later than one year                           | 307,872        | 375,829        |
| Later than one year and not later than five years | 198,532        | 180,586        |
|   | <u>506,404</u> | <u>556,415</u> |

**18. Pension Commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

During the year the charge to profit or loss in respect of defined contribution schemes was £210,741 (2021: £94,708).

At the balance sheet date contributions of £57,738 (2021: £54,889) were due to the fund and are included in creditors.

**19. Reserves****Share premium**

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

The profit and loss account represents all current and prior periods' retained profit and losses.

**Other reserves**

Other reserves relate to the movements in share-based payments, see note 21.

**Locumtap Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2022**

**20. Post Balance Sheet Events**

Since the year end the company allotted the following shares:

1. 25 January 2023 165 ordinary shares for £5.19 each
2. 1 February 2023 6,011 A shares for £45.44 each
3. 2 May 2023 670 ordinary shares for £0.001016 each

**21. Share based payments**

The number of equity-settled share based payments has been disclosed in the below table. During the year, the charge for the equity-settled share based payments was £249,002 (2021: £nil).

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

|  | Weighted average<br>exercise price<br>(pence)<br>2022 | Number<br>2022                            | Weighted average<br>exercise price<br>(pence)<br>2021 | Number<br>2021                            |
|--|---|---|---|---|
| Outstanding at the beginning of the year | £5.87   | 15,200                                    | £11.69  | 1,581                                     |
| Granted during the year                  | £0.09   | 80,031                                    | £5.19   | 14,316                                    |
| Forfeited during the year                | £6.30   | -1,376                                    | £5.19   | -697                                      |
| Exercised during the year                | £5.19   | 165                                       |   |   |
| Outstanding at year end                  |   | 94,020                                    |   | 15,200                                    |
|  |   | 2022                                      |   | 2021                                      |
| Option pricing model used                |   | Black Scholes<br>Options Pricing<br>Model |   | Black Scholes<br>Options Pricing<br>Model |
| Weighted average share price (pence)     |   | 22.02                                     |   | 3.30                                      |
| Exercise price (pence)                   |   | 0.09                                      |   | 5.19                                      |
| Weighted average contractual life (days) |   | 3,650                                     |   | 3,650                                     |
| Expected volatility                      |   | 50%                                       |   | 50%                                       |
| Risk-free interest rate                  |   | 3.139%                                    |   | 3.139%                                    |



