

Registered in England and Wales number 06573154

**MyHealthChecked PLC**  
**Group Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

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## **CHIEF EXECUTIVE'S REPORT AND STRATEGIC REVIEW**

### **2021 HIGHLIGHTS**

#### **Commercial**

- Significant revenue growth over the prior year, up from £50,000 to £16.4m
- Secured agreements with the two top retail high street pharmacy chains (Boots and Lloyds) and successfully launched and delivered into a new and unknown category
- MyHealthChecked brand successfully launched and established
- Over 30,000 new direct customers
- Over 5,000 Trustpilot reviews to achieve a 4.3 rating at the year end

#### **Portfolio and accreditation**

- Fast track onboarding of The Genome Store in preparation for peak COVID activity
- Achieved listing on Government website/gov.uk for the COVID-19 private testing providers for general Testing and Test to Release
- Acquisition of Nell Health in July 2021
- UKAS stage 2 passed in January 2021 with full ISO 15189:2012 accreditation announced in September 2021

#### **Operational**

- Migration across to new digital platform following Nell Health acquisition
- Secure supply chain established successfully underpinning category volatility
- Management of lean overheads

#### **Financial**

- Oversubscribed £3.4m (gross) share placing @ 1.75p in February 2021 which included further reinvestment by Mercia's investment funds
- Year-end cash balances of £6.4m

## **CHAIRMAN'S STATEMENT**

2021 was a year that delivered record revenue of £16.4m and an adjusted EBITDA of £2.7m, with net cash being £6.4m at the year end.

Our key focus for 2022 will be the introduction and launch of our DNA wellbeing products in the first half of 2022. This portfolio will build through 2022 and 2023 and will be channeled initially through our Direct-to-Consumer model.

I would like to take this opportunity to thank all our employees who worked tirelessly during 2021 to deliver an outstanding result, not only financially but also in the quality and care of service.

We look forward to delivering further growth and value to shareholders in 2022 and beyond.

**Adam Reynolds**  
Non-Executive Chairman  
6 June 2022

## CHIEF EXECUTIVE'S REPORT AND STRATEGIC REVIEW

Last year, in my first CEO review in my new role, I talked about how we had reshaped the business to deliver against an ambitious growth plan with a clear runway ahead to revenue achievement. I am proud to say that during 2021 we have delivered against this aim at every stage. MyHealthChecked has again evolved significantly over the last year, and we are well-positioned to deliver further shareholder value in 2022 as we continue to grow the business.

I must give due credit to our fantastic team at MyHealthChecked whose commitment and professionalism has been outstanding during an incredibly challenging time for everyone. The team adapted our business model to create a new retail product line in response to the COVID pandemic and delivered a phenomenal ramp-up of testing volume through challenging supply chain conditions. We also successfully integrated The Genome Store business during the year and acquired Nell Health Limited ("Nell Health") in July 2021. The team has delivered to an incredibly high standard, and this has been reflected in the thousands of positive customer reviews we have received, and the continuing relationships that we have established with the UK's top pharmacy retailers.

We have moved into 2022 in a position of strength financially, operationally and with a quickly established reputation for responsive, commercial delivery. We have exciting longer-term prospects based on a pipeline of new product introductions, whilst we continue to provide COVID testing services to our key partners, and I am delighted to update shareholders on our strong performance over the last year.

### **Successful commercial delivery – executing on our strategy for growth**

The financial performance of the business is the strongest indicator of the significant step-change that we have delivered over the last year. In 2021 we recorded revenues of £16.4m (2020: £50k) and delivered an adjusted EBITDA profit of £2.7m, reversing the £2.7m adjusted EBITDA loss seen in 2020. The business has been cash generative for the first time in its history and cash balances at the year-end were £6.39m (2020: £0.47m), which reflected both good working capital management and stronger than expected cash conversion in the final quarter.

The main driver of commercial success was the roll-out of our new COVID-19 PCR nasal swab test kit for at-home use which was adopted by the UK's top two high street pharmacy retailers. The strong Q4 performance was also supported by the launch of our COVID-19 rapid antigen test and verification service which saw us become a distributor of FlowFlex lateral flow assays, adapting neatly with changing market needs and demonstrating our ability to successfully integrate third party products alongside our own brand.

Our team also supported a number of smaller travel and institutional Business-to-Business ("B2B") customers, however it is the opening up of our own Direct-to-Consumer sales channel which, supported by our investment in digital marketing and excellent customer service provision, grew to contribute approximately £2.4m to overall revenues. As the Company has grown, we have focused on the establishment of our reputable brand with a customer-first approach to both retail partners and directly with consumers. Our Care Team has worked tirelessly to ensure that our service excellence is captured, securing over 5,000 reviews on Trustpilot in 2021 and currently standing at over 7,000 at the time of writing. Our marketing strategy has been focussed on effective referral channels and pricing strategies, ensuring that we always deliver customer value.

### **Careful cost control and operational excellence**

Whilst transforming the operational and commercial capacity of the business to meet market demands we have kept a tight control of our cost base and have maximised efficiencies by working closely with key suppliers and maintaining a flexible and lean team that has delivered extraordinary growth over the last 12 months.

We have continued to ensure that our operational footprint matches our clients' demands as well as providing the flexibility to expand for future growth as required. The flexible arrangements at our Cardiff Head office have allowed us to scale up and scale down through the year without any detriment to the provision of customers care and dispatch. Our Manchester laboratory operation, combined with third-party supply from Yourgene Health PLC ("Yourgene"), allowed us to maintain a reputation for quality of service with reliable turnaround times that consistently met the requirements of our customers. It is a mark of the quality of the team that we were able to achieve ISO 15189 standards within six months of opening the laboratory, and we consistently achieved 100% for the reliability of patient results and accuracy of reporting in the SARS CoV-2 External Quality Assurance Programme. Our facilities were subject to ongoing review by our retail partners, and I am proud that the team have consistently met their exacting requirements. As part of an internal review however, in response to a significant downturn in COVID PCR testing and our drive to remain cost efficient, our laboratory operations will close in the current quarter whilst we continue to utilise Yourgene's laboratories, in conjunction with our in-house expertise, to continue building our scientific and digital portfolio.

### **Preparation for the launch of a portfolio of personalised wellness tests in H1 2022**

Whilst we are still benefitting from our pivot into the provision of COVID-19 rapid antigen tests, a key focus of our business as we have moved into the new financial year has been on re-investing 2021 earnings into our new product pipeline of at-home wellness tests and building digital healthcare-centric technology that is scalable.

The effective integration of Nell Health, acquired in July 2021, has enabled the migration of our Laboratory Information Management System ('LIMS') onto the digital platform that will underpin the future business as it expands. Nell Health provided access to innovative technology in-house, that is secure, adaptable, and robust for future product and service developments.

This new scalable customer facing e-commerce platform enables connection from customer through to the lab and facilitates Government required reporting for COVID testing and has been further enhanced in readiness for the launch of future tests. We continue to focus on cyber security, and work closely with our Data Protection Officer to ensure that our systems are robust as we launch our new app technology that will provide actionable health and nutritional guidance, tailored to the customer. Our realignment of the goals and strategy of the business has included the mapping-out of a range of accessible family healthcare tests, with the aim of helping our customers to take control of their own healthcare, whilst providing a positive customer experience.

We remain on track to launch five new at-home wellness tests this month, focussing on the areas of weight management, vitamin deficiency, food intolerances, heart health and blood glucose. We will be announcing further portfolio developments through the course of the year to support our clear business development strategy across Direct-to-Consumer, retail, and B2B channels and I look forward to updating shareholders on this in due course.

We will continue to explore additional third-party technology options that can enhance the customer journey and the value of our products, and which can be integrated by our in-house talent. We also maintain our efforts to identify and assess complementary earnings-enhancing partnerships with organisations that demonstrate potential value-add and are a complementary and strategic fit to our core business.

Whilst COVID-19 was the number one priority for 2021, and portfolio growth is key to our long-term growth strategy, we will continue to reinforce our strong reputation in the COVID-19 testing space, providing a high-quality product and service to our key partners. We will do so whilst consistently evaluating the cost effectiveness of our operations.

### **Summary and outlook**

Last year I commented that we had ended 2020 and commenced 2021 as a very different organisation to that of the previous January, and that we were poised to meet the needs of the market in 2021. I am delighted that we absolutely met the needs of the market this past year, and I am confident echoing those comments this year: that we have grown to be a very different organisation to that of January 2021, commencing 2022 in a stronger position.

Having pivoted the original Concepta business plan, our first year of commercial delivery has demonstrated that this was the right decision, and we have delivered a successful start in our journey to an exciting future. Whilst we did deliberately delay the launch of the wider portfolio of wellness products until the COVID market stabilised, we have in the meantime demonstrated our ability to effectively identify the right tests for the market, secure supplier and customer relationships, and manage challenging supply chains effectively, whilst remaining competitive on price, and excelling in customer service and delivery.

We have in place a secure digital platform, a customer base opening up to the new idea of home-testing, and an existing customer base to whom we can share our new product information.

2022 will be another exciting year for the business as we launch our initial portfolio of new tests and build upon our sophisticated digital platform, which presents a fantastic opportunity for us to grow and create value for our shareholders. This will be supported by positive trading in the COVID space, as over the counter consumer demand continues into 2022.

**Penny McCormick**  
Chief Executive Officer  
6 June 2022

## FINANCIAL REVIEW

### Income statement

Following the acquisition of The Genome Store in November 2020, the Group was able to launch the COVID-19 PCR nasal swab test kit for at-home use in December 2020 which enabled revenues to increase from £50,000 in 2020 to £16,376,000 with a gross profit margin of 31.3% in the year under review. Further details are set out in the Chief Executive's Report and Strategic Review.

Administration costs amounted to £3,079,000 compared to £3,118,000 in the prior year after expensed research and development expenditure of £175,000 (2020: £487,000). An impairment provision of £414,000 has also been taken in 2021 against the know-how and goodwill arising on the acquisition of The Genome Store as all testing is now sub-contracted to third parties and the testing laboratory is being closed. In 2020 the charge was £622,000.

Adjusted EBITDA is calculated as follows:

	2021	2020
	£'000	£'000
Operating profit/(loss)	2,046	(3,758)
Depreciation and amortisation	157	157
Impairment provision (net of DT credit)	414	622
Share based payments	112	103
Loss on disposal of intangible assets	-	180
<b>Adjusted EBITDA</b>	<b>2,729</b>	<b>(2,696)</b>

The Group's profit before after taxation was £2,004,000 (2020: £3,763,000 loss) giving a basic earnings per share of 0.28p (2020: loss 0.89p) and fully diluted earnings per share of 0.27p.

### Financial position

The Group's net assets at 31 December 2021 amounted to £7,113,000 (2020: £530,000). This comprised total assets of £11,668,000 (2020: £1,336,000) and total liabilities of £4,555,000 (2020: £806,000). The total assets included property, plant and equipment of £163,000 (2020: £56,000) and intangible assets, being development costs, know-how, goodwill and patent costs, of £2,289,000 (2020: £616,000). The significant additions during the year relate to the goodwill and digital platform acquired on the acquisition of Nell Health. As noted above an impairment provision was made against the know-how and goodwill arising on the acquisition of The Genome Store which was acquired last year.

### Cashflow

The Group's cash balance at the year-end was £6,387,000 (2020: £466,000). The net inflow from operating activities amounted to £3,014,000 (2020: £2,072,000 outflow) with a further £3,206,000 (2020: £1,960,000) net of expenses raised through financing activities, whilst the cash outflows from investing activities amounted to £299,000 (2020: £38,000).

### 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.

### Events after the reporting year

On 25 March 2022 24,000,000 new ordinary shares of 0.1p each 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.

### Nicholas Edwards

Chief Financial Officer  
6 June 2022

## 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 Audit Committee 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 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
<b>Market</b>		
<b>COVID-19 and business interruption</b>	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>
<b>Brexit</b>	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>



<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Technology</b>	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&amp;A opportunities.</p> <p>Market surveillance is in place to monitor competitive activities to support the further development of the digital asset.</p>
<b>Ability to sell effectively</b>	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.
<b>eCommerce infrastructure</b>	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&amp;OP functions and systems.</p>
<b>Cyber Risk/GDPR</b>	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>
<b>Concentrated customer base</b>	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.
<b>War in Ukraine continuing</b>	Supply Chain delays or price increases.	The Group works closely with suppliers to forecast to secure product and maximise freight efficiencies.
<b>Inflation</b>	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.

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Operational</b>		
<b>Dependence on key personnel</b>	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>
<b>Technical</b>	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>
<b>Supply Chain</b>	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>
<b>Increased transport costs</b>	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.
<b>Product supply</b>	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.

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Environmental</b>		
<b>Inability to access facilities</b>	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>
<b>Financial</b>		
<b>Future funding requirements</b>	A newly established business model will require investments in development and commercialization.	<p>Management will analyse major opportunities and present them as additional business cases when warranted. Any future fundraisings will be undertaken if the 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 into The Group.</p>
<b>Currency fluctuations</b>	Currency fluctuations could increase costs and affect profitability.	<p>Initial 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 will impact both sales price and costs.</p>
<b>Commodity price volatility</b>	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.
<b>Legal</b>		
<b>Intellectual Property litigation</b>	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
<b>Compliance with regulations</b>	<p>Reputational and the effect of severe penalties.</p> <p>Senior management could be imprisoned and/or personally fined.</p>	<p>Policies and processes are in place to detail the compliance as follows:</p> <ul style="list-style-type: none"> <li>- Anti-Money Laundering</li> <li>- Anti-Bribery and Corruption</li> <li>- Privacy Policy</li> <li>- Ethics Code</li> <li>- Share-dealing</li> <li>- Tax Evasion</li> </ul> <p>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.</p>
<b>Changes in compliance legislation</b>	<p>The diagnostics market is heavily regulated.</p> <p>The IVD Regulation has come into effect in 2022 increasing the regulatory burden and impacting on the regulatory preparation for products prior to launch.</p>	<p>The Group's management has experience in the diagnostics market where regulatory requirements are rigorous.</p> <p>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.</p>

**Penny McCormick**  
 Chief Executive Officer  
 6 June 2022

## **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 17.

### **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 2021, the Board held 10 scheduled meetings.

### **Board of Directors**

#### **Adam Reynolds - *Non-Executive Chairman***

Adam is a former stockbroker with over 35 years' experience within the UK financial services sector. In 2000, He founded Hansard Group PLC which was admitted to trading on AIM in 2000. He is currently a director of several AIM traded companies: he is Chairman of Yourgene Health PLC, a company involved in the development of molecule diagnostics and Belluscura PLC, a next generation medical devices firm specialising in portable & light weight oxygen concentrators and non-executive director of Sosandar Plc an on-line fashion business. He is also 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 the 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. Since Lyn joined Yourgene Health plc in 2018 he has been instrumental in the transformation of the business. He led the group through four acquisitions including Elucigene Diagnostics and Coastal Genomics and the fundraising to underpin those deals. 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 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 will be 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. Lyn Rees is the Chairman of the Nomination Committee which Adam Reynolds and Neil Mesher sit on and they meet as and when required.

**The Remuneration Committee**

Neil Mesher is the Chairman of the Remuneration Committee, which Lesley Innes and Lyn Rees also sit on and they will meet not less than once each year. The committee will be 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 will operate 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.

## **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 compliance 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 will operate 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 position in the business.

### **Shareholders**

The Board of Directors actively encourage communication and they seek 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 our 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 are audited both internally and by an external organisation.

**Penny McCormick**  
Chief Executive Officer  
6 June 2022

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for MyHealthChecked PLC for the year ended 31 December 2021.

### 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 Chief Executive's Report and Strategic Review.

### Business review and future developments

The review of the operations and future developments are contained in the Chief Executive's Report and Strategic Review. 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 (2020: £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)  
Madeleine Kennedy (Resigned 4 June 2021)  
Peter Dines (Resigned 6 April 2021)  
David Gareth Davies (Appointed 4 June 2021, resigned 7 April 2022)  
Laura Moore (Appointed 1 October 2021, 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	2021	2020
Adam Reynolds	9,513,293	8,084,722
Penelope McCormick	2,150,000	1,250,000
Lyn Rees	1,991,071	1,562,500
Laura Moore	10,324,291	-
Madeleine Kennedy*	1,650,000*	1,250,000

*\*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
<b>Warrants</b>						
A. Reynolds	1,100,000	-	1,100,000	-	26/07/16	7.5p
<b>Share options</b>						
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
L. Rees	-	2,000,000	-	2,000,000	28/7/21	3.5p
	10,000,000	13,000,000	-	23,000,000		

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.

In addition to the above Madeleine Kennedy held 10,000,000 options over ordinary shares exercisable at 0.8p from 1 January 2020 until the date of her resignation.

The remuneration of the directors in MyHealthChecked PLC who held office during the year to 31 December 2021 was as follows:

	Salaries/ fees £'000	*Other Benefits £'000	Pension costs £'000	Share-based payments £'000	31 December 2021 £'000	31 December 2020 £'000
Adam Reynolds	57	-	-	7	64	31
Penelope McCormick	315	10	19	82	426	130
Gareth Davies	115	5	9	-	129	-
Laura Moore	6	-	-	-	6	-
Neil Mesher	57	-	-	-	57	15
Lyn Rees	40	-	-	13	53	20
Madeleine Kennedy	27	-	2	-	29	87
David Darrock	-	-	-	-	-	55
Mathew Walls	-	-	-	-	-	45
Peter Dines	7	-	-	-	7	27
	624	15	30	102	771	410

\*Other benefits comprise a car allowance and 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 27 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 including costs for applying patents for the year ended 31 December 2021 was £277,000 (2020: £487,000) of which £102,000 (2020: £nil) was capitalised and £175,000 (2020: £487,000) was expensed in the income statement. The capitalized 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 Chief Executive's Report and Strategic Review.

### 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 2021	1 June 2022
	%	%
MNL (Mercia) Nominees Limited*	12.05%	11.67%
Mercia Investment Plan LP*	11.85%	11.49%
Mr Donald Hamilton	3.60%	3.45%
UBS Switzerland AG Client Acc	3.46%	3.36%

*\* Together with Mercia (General Partner) Limited and Finance Yorkshire 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 expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

The Directors are fully apprised of their responsibilities under section 172(1) of the Companies Act 2006 and are so advised and updated on a regular basis by the Company Secretary of MyHealthChecked PLC.

### **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. The brand 'MyHealthChecked' was launched via an initial COVID-19 sample collection kit, and further product and service rollouts are expected to impact positively in the long-term for the Group and our customers. The Directors will 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 have 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 and suppliers. The Directors have taken steps to develop and strengthen them through dialogue and engagement. These relationships are regularly monitored at Board level.

The Chairman ensures that he is 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.

## **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  
6 June 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC**

**For the year ended 31 December 2021**

### **Independent auditor's report to the members of MyHealthChecked PLC**

#### **Opinion**

We have audited the financial statements of MyHealthChecked PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 2021 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 director's 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 a period of 12 months, 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 investments in subsidiaries and recoverability of intercompany loans
- Carrying value of goodwill and other intangible assets.

These are explained in more detail below

Key audit matter	How our audit addressed the key audit matter
<p><b>Carrying value of investments in subsidiaries and recoverability of intercompany loans – parent company financial statements only.</b></p> <p>The Company had investments of £4,652,000 at the year ended 31 December 2021 (2020: £4,652,000).</p> <p>The Directors have confirmed all investments, including additions were correctly calculated and being held at cost.</p> <p>The carrying value of amounts due from subsidiaries after impairment amounts to £3,982,000 (2020: £4,043,000).</p> <p>We identified a risk that the investment held within the parent company financial statements in its subsidiaries and amounts receivable, may be impaired.</p> <p>Management’s assessment of the recoverable amount of investments in subsidiaries requires estimation and judgement around assumptions used, including the market capitalization of the business as a whole as well as the cash flows to be generated from continuing operations. 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>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Reviewed management’s assessment of future operating cashflows and indicators of impairment;</li> <li>• Assessed the methodology used by management to estimate the future profitability of its subsidiaries and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate;</li> <li>• Assessed the reasonableness of the key assumptions used in management’s estimates of recoverable value, in line with economic and industry statistics relevant to the business;</li> <li>• Challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at these, including the unit prices, units sold, margins and fixed costs.</li> <li>• Assessed the reasonability of cash outflows, included contracted spend;</li> <li>• Assessed the appropriateness and applicability of discount rate applied to the current business performance;</li> <li>• Confirmed that any adverse change in key assumptions would not materially increase the impairment loss; and</li> <li>• Ensured that disclosures of the key judgements and assumptions, and sensitivities of the impairment loss recognised was appropriately disclosed.</li> <li>• Reviewed the market capitalisation of MyHealthChecked PLC to ensure correct value in use.</li> </ul> <p>Based on the audit work performed, we are satisfied with management’s assertion that no impairment exists.</p>

<p><b>Carrying value of goodwill and other intangible assets – Group financial statements</b></p> <p>Intangible assets comprise of development costs, patents and goodwill. The majority of the development cost and all the goodwill was acquired on the acquisition of Nell Health Limited.</p> <p>The Group has impaired all the goodwill and know-how arising on the acquisition of The Genome Store during the year ended 31 December 2020. Therefore the total balance intangibles balance relating to The Genome Store as at 31 December 2021 was £Nil (2020: £547,000).</p> <p>The group has patents amounting to £70,000 (2020: £69,000).</p> <p>The group acquired goodwill of £987,000 and an IT platform with a fair value of £1,202,000 on the acquisition of Nell Health Limited during the year.</p> <p>The Directors have confirmed all intangibles, including additions were correctly recognised.</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, public perception through the share price of the Company and the fair value of intangibles held by the Company.</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained management’s forecast for future value in use of the intangible assets;</li> <li>• Assessed the reliability of forecasts by agreeing to historical inputs;</li> <li>• Reviewed management and challenged management on their judgements of the forecasted sales and estimates useful life of the intangible assets;</li> <li>• Assessed the ongoing projects viability and ensured they met the criteria defined in the accounting standards for intangibles; and</li> <li>• Tested the clerical accuracy of management’s forecast.</li> <li>• Reviewed the likelihood of the earn-out being achieved for the acquisition of Nell Health Limited</li> </ul> <p>As all the capitalised development costs relating to the know-how in The Genome Store has been fully utilized by the group we agreed with management’s decision to impair these to £nil.</p> <p>With regards to goodwill and development costs relating to the acquisition of Nell Health Limited the period, we agree with management’s view that no impairment to goodwill or the intangibles is required.</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	£164,000 (2020: £188,000).	£98,000 (2020: £35,000).
How we determined it	Based on 1% of revenue (2020: 5% of net loss)	Based on 1% of gross assets (2020: 10% of net loss)
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 is ranged from £41,000 to £160,000 (2020 £35,000 to £169,000).

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £8,200 (Group audit) (2020: £9,400) and £5,800 (Company audit) (2020: £1,750) 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 Concepta Diagnostics Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 99.8% 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 17, 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](http://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

6 June 2022

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue from contracts with customers		16,376	50
Cost of sales		(11,251)	(690)
<b>Gross profit/(loss)</b>		<b>5,125</b>	<b>(640)</b>
Other administrative expenses		(2,553)	(2,213)
Impairment of intangible assets		(414)	(622)
Share based payments		(112)	(103)
Loss on disposal of tangible assets		-	(180)
Administrative expenses	5	(3,079)	(3,118)
<b>Operating profit/(loss)</b>		<b>2,046</b>	<b>(3,758)</b>
Finance expenses	7	(2)	(5)
Additional consideration payable on the acquisition of The Genome Store Limited		(40)	-
<b>Profit/(loss) before income tax</b>		<b>2,004</b>	<b>(3,763)</b>
Tax charge	8	-	-
<b>Profit/(loss) for the year</b>		<b>2,004</b>	<b>(3,763)</b>
Other comprehensive income		-	-
<b>Total comprehensive Profit/(loss) for the year</b>		<b>2,004</b>	<b>(3,763)</b>
<b>Attributable to owners of the parent:</b>		<b>2,004</b>	<b>(3,763)</b>
<b>Earnings/(loss) per ordinary share - basic</b>	<b>9</b>	<b>0.28p</b>	<b>(0.89p)</b>
<b>Fully diluted earnings per ordinary share</b>	<b>9</b>	<b>0.27p</b>	<b>-</b>

All activities relate to continuing operations

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 31 December 2021**

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Property, plant and equipment	10	163	56
Intangible assets	12	2,289	616
<b>Total non-current assets</b>		<b>2,452</b>	<b>672</b>
<b>Current assets</b>			
Inventories	13	497	3
Trade and other receivables	14	2,332	195
Cash and cash equivalents	15	6,387	466
<b>Total current assets</b>		<b>9,216</b>	<b>664</b>
<b>Total assets</b>		<b>11,668</b>	<b>1,336</b>
<b>Current liabilities</b>			
Trade and other payables	16	3,315	384
Deferred tax liability		-	87
Lease liabilities	17	-	5
Deferred consideration	19	1,240	200
Other provisions	19	-	26
<b>Total current liabilities</b>		<b>4,555</b>	<b>702</b>
<b>Non-current liabilities</b>			
Loans and borrowings	18	-	104
<b>Total non-current liabilities</b>		<b>-</b>	<b>104</b>
<b>Total liabilities</b>		<b>4,555</b>	<b>806</b>
<b>Net assets</b>		<b>7,113</b>	<b>530</b>
Share capital	20	756	518
Deferred shares	20	6,359	6,359
Share premium account	21	16,671	12,442
Share-based payment reserve	21	-	916
Capital redemption reserve	21	1,815	1,815
Reverse acquisition reserve	21	(6,044)	(6,044)
Retained earnings	21	(12,444)	(15,476)
<b>Total equity</b>		<b>7,113</b>	<b>530</b>

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 6 June 2022 and were signed on its behalf by:

**Nicholas Edwards**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Deferred shares	Share Premium	Share-based payment reserve	Capital redemption reserve	Reverse acquisition reserve	Retained earnings	Total
	£ '000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Equity as at 1 January 2020</b>	<b>6,624</b>	-	<b>10,740</b>	<b>813</b>	<b>1,815</b>	<b>(6,044)</b>	<b>(11,713)</b>	<b>2,235</b>
Loss for the year	-	-	-	-	-	-	(3,763)	(3,763)
<b>Total comprehensive loss</b>	-	-	-	-	-	-	<b>(3,763)</b>	<b>(3,763)</b>
Issue of shares net of expenses	253	-	1,702	-	-	-	-	1,955
Share-based payments	-	-	-	103	-	-	-	103
Sub-division of ordinary shares to deferred shares (note 20)	(6,359)	6,359	-	-	-	-	-	-
<b>Equity as at 31 December 2020</b>	<b>518</b>	<b>6,359</b>	<b>12,442</b>	<b>916</b>	<b>1,815</b>	<b>(6,044)</b>	<b>(15,476)</b>	<b>530</b>
Profit for the year	-	-	-	-	-	-	2,004	2,004
<b>Total comprehensive profit</b>	-	-	-	-	-	-	<b>2,004</b>	<b>2,004</b>
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 22)	-	-	-	-	-	-	112	112
Acquisition of Nell Health Limited	28	-	1,124	-	-	-	-	1,152
<b>Equity as at 31 December 2021</b>	<b>756</b>	<b>6,359</b>	<b>16,671</b>	<b>-</b>	<b>1,815</b>	<b>(6,044)</b>	<b>(12,444)</b>	<b>7,113</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Year Ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	2,004	(3,763)
<b>Adjustments for:</b>		
Deferred consideration	40	-
(Decrease)/increase in provisions	(26)	26
Depreciation and amortization	157	157
Impairment of intangible assets	414	622
Finance expenses	2	5
Share-based payments	112	103
Loss on sale of asset	-	180
<b>Adjusted operating profit/(loss) before changes in working capital</b>	<b>2,703</b>	<b>(2,670)</b>
<b>Changes in working capital</b>		
(Increase)/decrease in inventory	(494)	381
Increase in trade and other receivables	(2,124)	(72)
Increase in trade and other payables	2,931	116
<b>Cash generated/(used) in operations</b>	<b>3,016</b>	<b>(2,245)</b>
Tax received	-	178
Other interest	(2)	(5)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,014</b>	<b>(2,072)</b>
<b>Investing activities</b>		
Acquisition of Nell Health Limited	(50)	-
Purchase of property, plant and equipment	(147)	(35)
Purchase of intangible assets	(102)	(3)
<b>Net cash flows used in investing activities</b>	<b>(299)</b>	<b>(38)</b>
<b>Financing activities</b>		
Issue of ordinary shares (net of issue expenses)	3,211	1,675
Convertible loan note	-	101
Sale of assets	-	285
Repayment of lease liability	(5)	(101)
<b>Net cash flows from financing activities</b>	<b>3,206</b>	<b>1,960</b>
<b>Net change in cash and cash equivalents</b>	<b>5,921</b>	<b>(150)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>466</b>	<b>616</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,387</b>	<b>466</b>

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 2021. 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 preparation of financial statements in compliance with 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 2021 financial statements.*

Amendments to IAS 1, Presentation of financial statements on classification of liabilities	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates	1 January 2023
Amendments to IFRS 17 Insurance Contracts – measurement of insurance liabilities	1 January 2023
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	1 January 2022

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

The functional currency of the Company and its subsidiaries is Sterling Pound (£). Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occurs. 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 chief operating decision-maker. The Board considers that the Company's activities comprise a single operating and reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget. The total 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 year 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 current year and this year's 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 year. 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% -50% straight line
Furniture, fittings & equipment	- 25% straight line
Leasehold improvements	- 20% 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) Patent costs*

The Group has looked to obtain intellectual property through patents, Company know-how, design rights and trademarks. The Group has a portfolio of patent applications which is currently being pursued. The costs incurred in obtaining these patents have been capitalised as the Group is confident that the patent applications will be successful. Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years. The patent costs 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.

### **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 payable 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-evaluate 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.

### **Convertible loan notes**

The component parts of the Convertible Loan Notes are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt instrument without the option to convert into equity. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

### **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 year of benefit to the Group. Tangible fixed assets are depreciated over their useful lives taking into account of 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 (including capitalised development costs and know how)*

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve 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.

- *Deferred consideration and other provisions*

This relates to performance based contingent consideration payable within one year of £1,000,000 (2020: £nil) and £240,000 (2020 :£200,000) relating to the acquisitions of Nell Health Limited and The Genome Store Limited respectively and other provisions of £nil (2020: £26,000).

- *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 22 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 the lease 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

<b>Financial assets</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	6,387	466
Trade receivables – net of provision	724	-
Other receivables	186	45
VAT Receivable	-	45
<b>Financial assets</b>	<b>7,297</b>	<b>566</b>

  

<b>Financial liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other payables	809	175
Accruals	2,059	155
Other payables	331	54
<b>Trade and other payables</b>	<b>3,199</b>	<b>384</b>
Loans and borrowings	-	104
Lease liabilities	-	5
<b>Loans and borrowings</b>	<b>-</b>	<b>109</b>
Deferred consideration	1,240	226
<b>Financial liabilities at amortised cost</b>	<b>4,439</b>	<b>719</b>

#### 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:

<b>2021</b>	Within 1 year £'000	1-2 years £'000	2-5 years £'000
Trade and other payables	3,199	-	-

  

<b>2020</b>	Within 1 year £'000	1-2 years £'000	2-5 years £'000
Trade and other payables	384	-	-
Lease liabilities	5	-	-
Loans and borrowings	-	-	104
<b>Total</b>	<b>389</b>	<b>-</b>	<b>104</b>

#### **Market risk - interest rate risk**

The Group's exposure to cash flow interest rate risk is minimal. The amounts outstanding at the end of 2021 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 to meet the needs of the Company through to profitability and positive cash flow. 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.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Revenue for the provision of diagnostic healthcare products	16,376	50
Profit/(loss) for the provision of diagnostic healthcare products	2,815	(3,304)
Corporate costs	(771)	(459)
Additional deferred consideration	(40)	-
<b>Group profit/(loss) before and after tax</b>	<b>2,004</b>	<b>(3,763)</b>
Segment assets	10,523	880
Corporate assets	1,145	456
<b>Total assets</b>	<b>11,668</b>	<b>1,336</b>
Segment liabilities	3,057	373
Corporate liabilities	1,498	433
<b>Total liabilities</b>	<b>4,555</b>	<b>806</b>

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

#### 5. Administration expenses

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Auditor remuneration		
- Audit of parent company	22	20
- Audit of subsidiaries	15	9
- Other services	6	1
Depreciation of property, plant and equipment	40	39
Depreciation of right-of-use assets	-	15
Amortisation and impairment of intangible assets	531	725
- Less amounts charged to cost of sales	(117)	-
Research and development costs <sup>1</sup>	175	487
Legal and professional fees	312	118
Staff costs excluding R&D staff and direct costs (note 6)	1,068	549
Operating lease rentals	63	50
Foreign exchange losses	1	4
Share-based payments <sup>2</sup>	112	103
Other administrative expenses	851	998
	<b>3,079</b>	<b>3,118</b>

<sup>1</sup> Including R&D staff costs, net of capitalised development costs of £102,000 (2020: Nil).

<sup>2</sup> Share-based payments relate to costs of share options issued to employees (including directors) and consultants/professionals estimated in accordance with IFRS 2 'share-based payment'.



## 6. Employees and directors

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Directors (including non-executive directors)	5	3
Manufacturing	5	1
Marketing	1	-
Administrative	7	3
	18	7
Research and development	3	3
<b>Total</b>	<b>21</b>	<b>10</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and wages (including directors)	1,180	615
Social security costs	108	49
Pension costs	41	30
Share-based payments (relating to employees)	112	103
<b>Staff costs including R&amp;D staff</b>	<b>1,441</b>	<b>797</b>

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

Salaries and wages	(221)	(126)
Social security costs	(29)	(13)
Pension costs	(11)	(6)
	<b>(261)</b>	<b>(145)</b>

Salaries and wages (including directors)	959	489
Social security costs	79	36
Pension costs	30	24
<b>Staff costs (excluding share-based payments) included in administration expenses (note 5)</b>	<b>1,068</b>	<b>549</b>

### Key management personnel compensation

Directors emoluments for the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries/fees	454	307
Performance related pay	170	-
Other benefits	15	-
Pension costs	30	19
Social security costs	72	19
	<b>741</b>	<b>345</b>
Share-based payments	102	84
	<b>843</b>	<b>429</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Highest paid Director	426	130

## 7. Finance expenses

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Finance expenses</b>		
Other interest	2	5
<b>Total finance expenses</b>	<b>2</b>	<b>5</b>

## 8. Tax charge

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Tax charge for the year</b>	<b>-</b>	<b>-</b>

### 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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) on ordinary activities before income tax	2,004	(3,763)
Standard rate of corporation tax	19%	19%
Profit/(loss) before tax at the standard rate	381	(715)
<i>Effects of:</i>		
Non-deductible expenses	52	20
Trading losses brought forward	(497)	-
Deferred tax movements not recognised	61	695
Other timing differences	3	-
<b>Tax charge</b>	<b>-</b>	<b>-</b>

The Group has not recognised the deferred tax asset arising from the accumulated tax losses carried forward of approximately £9,573,000 (2020: £11,054,000) due to the uncertainty of their future recovery.

## 9. Earnings/(loss) per share

	2021	2020
<b>Basic and diluted</b>		
Profit/(loss) for the year and earnings used in basic & diluted EPS	£2,004,000	(£3,763,000)
Weighted average number of shares - basic	710,852,000	420,757,000
Weighted average number of shares – fully diluted	744,056,000	-
Earnings/(loss) per share	0.28p	(0.89p)
Fully diluted earnings per share	0.27p	-

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Due to the loss in the prior year the effect of the share options was considered anti-dilutive and hence no diluted loss per share information has been provided.

## 10. Property, plant and equipment

	Plant & equipment £'000	Leasehold improvements £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
<b>At 1 January 2020</b>	<b>606</b>	<b>118</b>	<b>70</b>	<b>794</b>
Additions	35	-	-	35
On acquisition	17	-	-	17
Disposals	(603)	(118)	(59)	(780)
<b>At 31 December 2020</b>	<b>55</b>	<b>-</b>	<b>11</b>	<b>66</b>
Additions	135	-	12	147
Disposal	-	-	-	-
<b>At 31 December 2021</b>	<b>190</b>	<b>-</b>	<b>23</b>	<b>213</b>
<b>Depreciation</b>				
<b>At 1 January 2020</b>	<b>438</b>	<b>50</b>	<b>47</b>	<b>535</b>
Charge for the year	29	3	7	39
Disposal	(465)	(53)	(46)	(564)
<b>At 31 December 2020</b>	<b>2</b>	<b>-</b>	<b>8</b>	<b>10</b>
Charge for the year	37	-	3	40
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>39</b>	<b>-</b>	<b>11</b>	<b>50</b>
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>151</b>	<b>-</b>	<b>12</b>	<b>163</b>
At 31 December 2020	53	-	3	56

## 11. Right-of-use assets

	Equipment £'000	Factory premises £'000	Total £'000
<b>Cost</b>			
At 1 January 2020	499	90	589
Disposals	(499)	(90)	(589)
<b>At 31 December 2020 and 2021</b>	-	-	-
<b>Depreciation</b>			
At 1 January 2020	113	32	145
Charge for the year	15	-	15
Disposals	(128)	(32)	(160)
<b>At 31 December 2020 and 2021</b>	-	-	-
<b>Net book value</b>			
<b>At 31 December 2020 and 2021</b>	-	-	-

The maturity analysis of lease liabilities is presented in note 23.

### Amounts recognised in profit or loss

	2021 £'000	2020 £'000
Depreciation expense on right-of-use assets	-	15
Interest expense on lease liabilities	-	5
Expense relating to short-term leases	63	68

## 12. Intangible assets

	Patents £'000	Know-how £'000	Goodwill £'000	Other development costs £'000	Platform and website development £'000	Total £'000
<b>Cost</b>						
At 1 January 2020	105	-	-	882	17	1,004
Additions	3	460	87	-	-	550
<b>At 31 December 2020</b>	<b>108</b>	<b>460</b>	<b>87</b>	<b>882</b>	<b>17</b>	<b>1,554</b>
On acquisition	-	-	987	-	1,202	2,189
Additions	12	-	-	-	90	102
<b>At 31 December 2021</b>	<b>120</b>	<b>460</b>	<b>1,074</b>	<b>882</b>	<b>1,309</b>	<b>3,845</b>
<b>Amortisation</b>						
At 1 January 2020	27	-	-	186	-	213
Charge for the year	12	-	-	85	6	103
Impairment	-	-	-	611	11	622
<b>At 31 December 2020</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>882</b>	<b>17</b>	<b>938</b>
Charge for the year	11	46	-	-	60	117
Impairment	-	414	87	-	-	501
<b>At 31 December 2021</b>	<b>50</b>	<b>460</b>	<b>87</b>	<b>882</b>	<b>77</b>	<b>1,556</b>
<b>Net book value</b>						
At 31 December 2021	70	-	987	-	1,232	2,289
At 31 December 2020	69	460	87	-	-	616

## 13. Inventories

	2021 £'000	2020 £'000
Raw materials	66	3
Finished goods	431	-
	<b>497</b>	<b>3</b>

The cost of inventory expensed to cost of sales during the year ended 31 December 2021 amounted to £2,640,000 (2020: £nil)

## 14. Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables – net	724	-
Prepayments and accrued income	1,422	105
Other receivables	186	45
VAT receivable	-	45
	<b>2,332</b>	<b>195</b>

## 15. Cash and cash equivalents

	2021	2020
	£'000	£'000
Cash at bank and in hand	6,387	466

Where cash at bank earns interest, interest accrues at floating rates based on daily bank deposit rates. The fair value of the cash & 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

	2021	2020
	£'000	£'000
Trade payables	809	175
Accruals and deferred income	2,175	155
Social security & other taxes payables	315	15
Other payables	16	39
	<b>3,315</b>	<b>384</b>

## 17. Lease Liabilities

	2021	2020
	£'000	£'000
<b>Current</b>		
Lease liabilities	-	5
<b>Non-current</b>		
Lease liabilities	-	-
	<b>-</b>	<b>5</b>

## 18. Loans and borrowings

The prior year balance related to a convertible loan instrument executed on 7 April 2020 and issued to Mercia GP in the sum of £101,000 plus interest of £3,367 on 24 April 2020. The loan was converted into ordinary shares at an issue price of 0.8p on 26 February 2021.

## 19. Deferred consideration and other provisions

These relate to performance based contingent consideration payable within one year of £1,000,000 (2020: £nil) and £240,000 (2020 :£200,000) in respect of the acquisitions of Nell Health Limited and The Genome Store Limited and other provisions of £nil (2020: £26,000). 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 27).

## 20. Share capital

	2021	2020
	£'000	£'000
<b>Deferred shares of 2.4p per share</b>		
264,946,675 (2020: 264,946,675) deferred shares of 2.4p each	6,359	6,359
<b>Ordinary shares</b>		
756,088,967 (2020: 517,821,675) ordinary shares of 0.1p each	756	518
	<b>7,115</b>	<b>6,877</b>

On 22 February 2021 194,285,714 ordinary shares were issued at 1.75p per share for a total consideration of £3.4 million before expenses of £227,000 and the convertible loan note (plus accrued interest) referred to in note 18 above was converted into 13,138,647 shares at an issue price of 0.8p per share. On the acquisition of Nell Heath Limited on 3 July 2021 a further 27,842,931 new ordinary shares of 0.1p each were issued at 4.14p per share as part of the initial consideration payable of £1.2m. In addition, 2,500,000 EMI options were exercised during the year at a price of 0.8p per share and 500,000 shares were issued to Ms McCormick at a price of 3.5p in part settlement of her performance related pay.

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

## 21. 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 has been transferred to retained earnings in the current 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.

## 22. 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/(loss) for the year was as follows:

	2021	2020
	£'000	£'000
Options issued to directors and in respect of services received by the parent	112	69
Options issued to employees and in respect of services received by the subsidiary	-	34
<b>Total share-based payments</b>	<b>112</b>	<b>103</b>

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

	2021		2020	
	Number	WAEP (£)	Number	WAEP (£)
Balance brought forward	24,455,167	2.57p	15,223,437	5.20p
Granted	22,000,000	3.50p	13,000,000	0.80p
Exercised year	(2,500,000)	0.80p	-	-
Lapsed during the year	(15,666,667)	3.65p	(3,768,270)	1.37p
Balance carried forward	28,288,500	2.85p	24,455,167	2.57p

During the year 8,857,000 EMI options and 10,143,000 unapproved options were issued at an exercise price of 3.5p which vest in equal annual installments over a period of three years. A further 3,000,000 EMI options were granted at an exercise price of 3.5p of which 15% vest in each of the first two years with the remaining 70% vesting at the end of the third year.

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

	2021	2020
<b>EMI scheme</b>		
Number of options	17,060,900	15,370,567
Exercise price range	0.8p – 3.5p	0.8p – 5.95p
Exercise period	April 2022 – July 2031	January 2021 – June 2030
<b>Unapproved scheme</b>		
Number of options	11,227,600	9,084,600
Exercise price range	3.5p – 7.5p	4p – 7.5p
Exercise period	April 2024 - July 2031	November 2021- July 2025

The weighted average remaining contractual life for the EMI and non-approved share options outstanding at 31 December 2021 was 8.05 years (2020: 7.2 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:

	2021	2020
Weighted average fair value at grant date (£)	0.035	0.001
Weighted average share price (£)	0.035	0.014
Exercise price (£)	0.035	0.008-0.04
Expected volatility	100%	100%
Expected options life (years)	3	7.2
Expected dividends	0%	0%
Risk-free interest rate	0.19%	0.40%

### Warrants

	2021		2020	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	7,800,300	0.075	9,182,267	0.074
Lapsed	(7,800,300)	(0.075)	(1,381,967)	(0.010)
At 31 December	-	-	7,800,300	0.075

No warrants were granted or exercised during the year.



## 23. Lease commitments

### Short term leases

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:

	2021			2020		
	Plant and equipment £'000	Land and building £'000	Total £'000	Plant and equipment £'000	Land and building £'000	Total £'000
Within one year	-	25	25	1	2	3
Between one and two years	-	5	5	-	-	-
Between two and five years	-	-	-	-	-	-
After more than five years	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>30</b>	<b>30</b>	<b>1</b>	<b>2</b>	<b>3</b>

### Lease liabilities

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

	2021			2020		
	Minimum lease payment £'000	Interest £'000	Present value £'000	Minimum lease payment £'000	Interest £'000	Present value £'000
Within one year	-	-	-	5	-	5
Between one and two years	-	-	-	-	-	-
Between two and five years	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>

## 24. Commitments

There is no capital expenditure contracted at this year-end reporting.

## 25. 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 the Company announced it had entered into an agreement to use the Clarigene® SARS-CoV-2 test supplied by Yourgene which both Adam Reynolds (Chairman) and Lyn Rees (Non-Executive Director) are directors. Product pricing for the agreement was prepared on an arm's-length basis and there was no minimum volume requirement. Having consulted with SPARK Advisory Partners Limited, the Independent Directors considered that the terms of the agreement were fair and reasonable insofar as Shareholders were concerned. The group made purchases during the year of £4,920,000 (2020: £2,000) of which £300,000 (2020: £2,000) was out standing at the year end.

On 2 December 2020 the Company also announced it 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 under the AIM Rules. Having consulted with SPARK Advisory Partners Limited, the Independent Directors consider that the terms of the agreement and purchase order are fair and reasonable insofar as Shareholders are concerned. The group made purchases during the year of £1,887,000 (2020: £16,000) of which £209,000 (2020: £nil) was outstanding at the year end.

On 14 April 2020 the Company announced it 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 lateral flow test manufacturing site in Doncaster, for the technical transfer of the manufacturing processes, the further development of lateral flow 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 MyHealthChecked 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 MyHealthChecked continued to make payments to the lessor and was reimbursed by Abingdon Health. During the year the group made payments amounting to £46,000 (2020: £63,000) on Abingdon Health's behalf of which £131,000 (2020: £57,000) was outstanding at the year end and was settled in January 2022.

During the year ended 31 December 2021 director's fees of £58,000 (2020: £31,000) 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 2021 was £12,000 (2020: Nil)

During the year ended 31 December 2021 director's fees of £40,000 (2020: £20,000) were paid to LJ Consultancy for the services provided by Mr Lyn Rees as a Non- executive director. The amount outstanding at 31 December 2021 was £12,000 (2020: £2,000).

During the year ended 21 December 2020 fees of £27,000 and were paid to Mercia Investments Limited in respect of services provided by Peter Dines a former director of the Company; no fees were payable in respect of the year under review.

## 26. Acquisition of Nell Health Limited

On 2<sup>nd</sup> July 2021 the Group acquired 100% of the equity interests in Nell Health Limited for a total consideration of up to £2,202,000. The initial consideration comprised £1,202,000 which was satisfied by the issue of 27,842,931 ordinary shares of 0.1p and £50,000 in cash. The deferred, contingent consideration of up to £1m is payable subject to the achievement of agreed performance milestones.

Nell Health has developed an innovative technology platform that offers users personalised accessible and actionable outcomes to improve health and wellness based on information gathered from DNA tests. A summary of the net assets acquired, and the consideration paid is shown below:

		As at acquisition	
		£'000	
Loss for the year to the date of the acquisition		(516)	
Loss to end of year		(12)	
Reserves at acquisition		(1,085)	
	Book value	Fair value adjustment	Fair Value
	£'000	£'000	£'000
<b>Assets acquired</b>			
Digital IT Platform	-	1,202	1,202
Other assets	13	-	13
Goodwill	-	987	987
	<hr/>	<hr/>	<hr/>
	13	2,189	2,202
<b>Satisfied by</b>			
Issue of shares			1,152
Contingent consideration			1,000
Cash			50
			<hr/>
			2,202

## 27. Events after the reporting date

On 25 March 2022 24,00,000 new ordinary shares of 0.1p were issued to settle the deferred consideration payable on the acquisition of The Genome Store Limited of £240,000 after all performance milestones were met.

## 28. Ultimate controlling party

There is no ultimate controlling party of the Company.

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Investments in subsidiaries	4	4,652	4,652
Net amounts due from subsidiaries	6	3,982	4,043
<b>Total non-current assets</b>		<b>8,634</b>	<b>8,695</b>
<b>Current assets</b>			
Trade and other receivables	5	60	31
Cash and cash equivalents	7	1,085	425
<b>Total current assets</b>		<b>1,145</b>	<b>456</b>
<b>Total assets</b>		<b>9,779</b>	<b>9,151</b>
<b>Current liabilities</b>			
Trade and other payables	8	258	129
<b>Total current liabilities</b>		<b>258</b>	<b>129</b>
<b>Non-current liabilities</b>			
Loans and borrowings	8	-	104
<b>Total non-current liabilities</b>		<b>-</b>	<b>104</b>
<b>Total liabilities</b>		<b>258</b>	<b>233</b>
<b>Net assets</b>		<b>9,521</b>	<b>8,918</b>
Share capital	9	756	518
Deferred shares		6,359	6,359
Share premium		16,671	12,442
Capital redemption reserve		1,815	1,815
Share-based payment reserve		-	887
Retained losses		(16,080)	(13,103)
<b>Total equity</b>		<b>9,521</b>	<b>8,918</b>

The loss for the parent company for the year is £3,976,000 (2020: £351,000).

These financial statements were approved and authorised for issue by the Board of directors on 6 June 2022 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
<b>Equity as at 1 January 2020</b>	6,624	-	10,740	1,815	784	(12,752)	7,211
Loss for the year						(351)	(351)
<b>Total comprehensive loss</b>						<b>(351)</b>	<b>(351)</b>
Issue of shares (net of expenses)	253	-	1,702	-	-	-	1,955
Share-based payments	-	-	-	-	103	-	103
Sub-division of ordinary shares to deferred shares	(6,359)	6,359	-	-	-	-	-
<b>Equity as at 31 December 2020</b>	<b>518</b>	<b>6,359</b>	<b>12,442</b>	<b>1,815</b>	<b>887</b>	<b>(13,103)</b>	<b>8,918</b>
Loss for the year						(3,976)	(3,976)
<b>Total comprehensive loss</b>						<b>(3,976)</b>	<b>(3,976)</b>
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 22)	-	-	-	-	-	112	112
Acquisition of Nell Health Limited	28	-	1,124	-	-	-	1,152
<b>Equity as at 31 December 2021</b>	<b>756</b>	<b>6,359</b>	<b>16,671</b>	<b>1,815</b>	<b>-</b>	<b>(16,080)</b>	<b>9,521</b>

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.

#### Investments in subsidiaries

The Company’s investment in its subsidiaries 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 future cash flow forecasts and these forecasts would be 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 subsidiaries” above.

3. The net amounts due from subsidiaries were 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 subsidiaries was based upon an estimate of fair 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 £3,976,000 (2020: £351,000) and is included within the consolidated statement of comprehensive income.

## 3. Staff costs

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

## 4. Investments in subsidiaries

<b>Cost</b>	Investment in Subsidiary <b>£'000</b>
At 31 December 2020 and 2021	6,469
<b>Impairment</b>	
At 1 January 2020 and 31 December 2021	1,817
<b>Net book value</b>	
At 31 December 2021	4,652
At 1 January 2020	4,652

The principal group subsidiaries are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Proportion of ownership interest</b>	<b>Nature of business</b>
Concepta Diagnostics Limited	United Kingdom	100.0%	Healthcare business
Concepta Diagnostics Ireland Limited	Ireland	100.0%	Dormant
The Genome Store Limited	United Kingdom	100.0%	Dormant
Nell Health Limited	United Kingdom	100.0%	Dormant

## 5. Trade and other receivables

	2021 £'000	2020 £'000
Prepayments	60	22
VAT receivable	-	9
	<b>60</b>	<b>31</b>

All amounts are due within three months. No amounts are past due.

## 6. Net amounts due from subsidiaries

At 31 December 2021 the amount owed by the subsidiary company Concepta Diagnostics Limited was £12,253,000 (2020: £8,914,000) gross and £3,982,000 (2020: £4,043,000) after impairment. Interest has been charged at the rate of 2.19 % (2020: 2.19%)

## 7. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	1,085	425

## 8. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	73	30
Accruals and deferred income	96	61
Social security & other taxes payable	88	6
Other payables	1	32
	258	129
Long term liability – Convertible Loan Note	-	104
	<b>258</b>	<b>233</b>

## 9. Share capital

For details of share capital see note 20 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 25 of the consolidated statements.

## 11. Events after the reporting date

On 25 March 2022 24,00,000 new ordinary shares of 0.1p were issued to settle the deferred consideration payable on the acquisition of The Genome Store Limited of £240,000 after all performance milestones were met.

## 12. Ultimate controlling party

The Company does not have an ultimate controlling party.



## ADVISORS

<b>Nominated advisor:</b>	Spark Advisory Partners Ltd 5, St John's Lane Farringdon London EC1M 4BH
<b>Broker:</b>	Oberon Capital Limited Nightingale House 65 Curzon Street London W1J 8PE
<b>Bankers:</b>	HSBC Harry Weston Road Binley Coventry CV3 2SH
<b>Auditors:</b>	Jeffreys Henry LLP 5-7 Cranwood Street Finsgate London EC1V 9EE
<b>Solicitors:</b>	BPE Solicitors LLP St. James House St. James Square Cheltenham GL50 3PR
<b>Registrars:</b>	Neville Registrars Steelpark Road, Halesowen B62 8HD
<b>Company Number:</b>	06573154
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