

Registered in England and Wales number 06573154

MyHealthChecked PLC
Group Annual Report and Financial Statements
Year Ended 31 December 2023

Contents

HIGHLIGHTS	1
STRATEGIC REVIEW	2
JOINT CHAIRMAN AND CHIEF EXECUTIVE'S REPORT	2
FINANCIAL REVIEW.....	5
CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY REPORT.....	7
PRINCIPAL RISKS AND UNCERTAINTIES	10
BOARD OF DIRECTORS.....	13
STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER S172(1) COMPANIES ACT 2006	14
DIRECTORS' REPORT.....	15
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC	19
FINANCIAL STATEMENTS	26
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	26
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	28
CONSOLIDATED STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
COMPANY STATEMENT OF FINANCIAL POSITION.....	49
COMPANY STATEMENT OF CHANGES IN EQUITY.....	50
NOTES TO THE COMPANY FINANCIAL STATEMENTS	51
ADVISORS	54

HIGHLIGHTS

Financial highlights

- Revenue of £11.0m (2022: £22.3m)
- Adjusted EBITDA of £0.015m (2022: £2.26m)
- Cash balance at year end of £7.75m (2022: £7.61m)
- Strong cash position to ensure next growth phase remains self-funded

Commercial and operational highlights

- Retail launch of 21 tests in Boots, the UK's largest pharmacy retailer
- Ongoing strong relationship with Boots
- Sustained unit sales growth of Wellness portfolio since launch
- Achievement of Healthcare Inspectorate Wales Certification
- Migration to Digital Quality Management System (QMS)
- Self-funded ongoing digital enhancements and investment in compliance and governance

STRATEGIC REVIEW

JOINT CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

The Board was pleased with the performance of MyHealthChecked ("MHC") during 2023 as the team has delivered well across all parts of the organization. Due to the careful management of working capital MHC has entered 2024 with a strong balance sheet which enables it to continue to use its existing cash resources to fund the development of scalable, digital healthcare-centric technology as well as identifying and developing new products for the pipeline of at-home wellness tests. Our unwavering commitment through 2023 was focused on the delivery of wellness solutions that not only address a variety of customer needs, but will also enable us to contribute to the advancement of the broader healthcare industry over time.

Following the launch of 5 DNA tests in 2022, the highlight of the year under review was the launch to market of an additional 18 new Wellness tests increasing the product portfolio to 23 tests, 21 of which are now stocked at Boots. The majority of our tests are connected to our bespoke recommendation engine in order to provide customers with results, and actionable guidance. This was a significant launch for the Company, and a major win, particularly as the DNA test portfolio is a unique proposition at retail; it provides simple, cost-effective panels that enable customers to provide a cheek swab sample in exchange for a set of clear and actionable nutrition-focused results that are not overly onerous or unnecessarily complicated, for the customer. Our Wellness product range has received very positive customer reviews and we continue to focus our efforts on providing a high quality service to our retail partner and direct customers. This is demonstrated by our Trust Pilot score of 4.5 which we have grown from 4.4 since the launch of the Wellness range.

Product development

With any new category, one of the most significant challenges is the lack of established data or behavioural legacy that informs decision-making. As the category was launched and has grown off the back of COVID, it has been important to differentiate between the needs of COVID testing and that of Wellness testing and appreciate that customers of the latter require and expect greater support and guidance, and a simplicity of instructions to aid understanding, particularly around health guidance and next steps. Our direct interactions with our customers have shown us that our decision to focus on the simplicity of our product and digital communications has been the right approach, and we continue to learn from our customers and evolve our communications to meet their needs.

We are evaluating the potential requirement for complementary tests within our portfolio and, as always, these will be rigorously reviewed by our experienced Scientific Advisory Board before being launched to market. However, the focus in 2024 will remain on establishing the already extensive portfolio and building out the testing journeys to inform our customers about ongoing testing practices for continued, proactive Wellness management.

COVID-19 tests

Following the withdrawal of compulsory COVID testing demand for COVID Lateral Flow Tests ("COVID LFTs") appears to have settled into a seasonal cyclical pattern similar to that of flu and other upper respiratory diseases. This has, as expected, resulted in a reduction in sales year on year although in the short term we expect COVID LFTs will continue to deliver the majority of revenue to MHC. Due to pricing pressure gross margins within our COVID portfolio have also fallen during 2023 however, going forward, this will be offset by the increased margin contribution from the Wellness portfolio as our revenue stream from this product range grows.

Marketing and retail partnership

We have learned a great deal from our customers since the product launches and have been able to observe shopper and user behaviour in practice, rather than relying on 'what if' scenarios from customer research. As we have ended the year, we have a much clearer view of how to further shape the customer offering and communicate effectively around

our portfolio to encourage trial and repeat purchase. We are still learning how customers respond to promotions, and together with the most significant retail partner in consumer healthcare, we are working to understand the needs of the customer.

Following the announcement in May 2023 of the agreement with Boots to stock our range of at-home self-testing products the relationship has strengthened, and we continue to prioritise this co-operation. It is an interesting time for the “testing” product category and working closely with partners like Boots, as strategies develop, will be key to normalising regular, proactive self-testing amongst our target audience.

Our marketing investments in 2023 were carefully managed, and in 2024 we will continue to be part of retailer promotional space in-store, trialing price promotions, whilst continuing to focus on digital marketing for product awareness to drive trial and repeat purchase. A co-operative approach with Boots will also ensure that the most effective marketing strategies deliver in the medium to long term as customer behaviour evolves.

Whilst Wellness testing is still in its early stages by retail standards, we have seen sustained sales growth since launch as awareness builds and achieved a 45% increase in unit sales in Q1 2024 over the prior quarter, and we have entered 2024 with partnership retail plans in place to continue to grow the category year on year. Promotional activity is key at retail and is an effective mechanism for encouraging trial, which is essential when you are inviting customers to consider doing something new, and in many cases, for the first time.

Digital platform development

Our unique digital platform includes proprietary algorithms that integrate our in-house curated knowledge base and demographic information to deliver tailored health recommendations based on individual test results. The platform includes a customer dashboard, Laboratory Information Management System, a healthcare professional portal, and a Shopify eCommerce site to deliver an end-to-end service and information flow for the customer. It also ensures all parties involved in sample management, customer support and fulfilment are able to deliver customer needs. The building, maintenance, and continual improvement of this proprietary asset continues to be our primary focus. Following 2023’s product launches we have continued to develop and improve the platform to ensure that it is adaptable to ongoing and potential business needs, whilst delivering accurate results and advice for our valued customers. Our aim for 2024 is to deliver positively on the investments that have been made so far, whilst we continue to develop and improve its functionality.

Compliance

We operate within a highly regulated marketplace, and the industry’s shift towards the requirements of the In Vitro Diagnostic Regulation means that the standards for testing services are tightening, particularly around evidence, post-market surveillance and traceability. Furthermore, the need to protect the data of our customers has never been more important as customers can be cautious about data sharing due to media-reported incidents which cause worry. Consequently, GDPR is of critical importance to us, and we continue to develop robust practices to manage the collection, retention and disposal of data, some of which falls within Special Categories. Our commitment to information security is demonstrated by the company working towards the achievement of ISO 27001 as well as the maintenance of our Cyber Essentials Plus certification.

With regards to diagnostic industry compliance, we are working towards the achievement of ISO 13485 which will provide additional reassurance to our customers and partners that we place significant value on the consistency and robustness of our product and services and can demonstrate day-in and day-out that we maintain the highest standards. In 2023 we also fully transitioned to a digital Quality Management System (“QMS”).

We also achieved our Healthcare Inspectorate Wales (“HIW”) certification which enables us to offer doctor-verified testing and will allow us to provide remote phlebotomy services in the future, ensuring the safety of our customers in accordance with our commitment to best practices.

Outlook

The revenue generated from COVID testing in prior years has enabled us to implement our investment strategy for future growth and is enabling us to execute our current business plans without requiring additional working capital. We have invested in our digital platform, as an enabler to future growth, and achieved our goal of establishing ourselves as an important provider in the wellness industry. The investment phase that we spoke about in 2023 has been delivered, and the business is now more robust, more consistent, and more secure than before with demonstrable certifications that reflect some of the highest standards of governance and quality in our industry.

Although we anticipate a further reduction in the demand for COVID tests, particularly during the first half of the current year, we believe that COVID testing will continue to be an essential, albeit seasonal, revenue stream in 2024 and beyond. Our future focus is on growing to become a leading supplier in the wellness testing sector, and evolving our digital platform to provide our customers with valuable information and guidance with which they can use to improve their health and wellbeing, as well as looking to identify opportunities where we can support customers in accessing health results in a timely fashion.

Following the trend seen in 2023, COVID revenue in the first quarter of 2024 was less than the comparable period of the prior year but we have demonstrated volume sales growth of Wellness tests and we continue to work with retail customers to drive volume growth throughout the year.



Adam Reynolds
Chairman
3 June 2024



Penny McCormick
Chief Executive Officer

FINANCIAL REVIEW

Income statement

Revenue for the year amounted to approximately £11.0m (2022: £22.3m) primarily due to a continuing demand, albeit at a lower level than the prior year, for COVID Lateral Flow Tests (“LFTs”). Although the legal requirement to test has been removed, a significant proportion of consumers are still seeking a confirmed diagnosis when displaying COVID symptoms given the potential severity of the disease in clinically vulnerable and elderly groups of the population. Although difficult to predict with any degree of certainty, future demand is expected to be cyclical in nature reflecting the seasonality of upper respiratory diseases like flu. The new wellness product range had a soft launch in May 2023 with sales for the period amounting to approximately £344,000 (2022: £9,000). The wellness tests are a new category launch and sales are forecast to build over time, driven by a number of marketing initiatives in collaboration with our major retail customer to raise consumer awareness.

Gross margins reduced from 21.4% to 18.7% after the release of a surplus accrual of £1.16m for the processing of COVID PCR nasal swab kits sold in earlier years which were not returned by customers and have now expired. Excluding this provision release, and the expensed platform amortisation, development and IT maintenance costs of £669,000 (2022: amortisation and impairment of £459,000) the gross margin achieved on sales during the year amounted to 14.1% (2022: 23.5%) reflecting the reduced COVID PCR revenue and the narrow margins available, particularly on the sale of singles (as opposed to 5 packs) in a mature and competitive COVID LFT market.

Total spend on the development and maintenance of IT infrastructure during the year amounted to £982,000 (2022: £856,000) of which £521,000 (2022: £310,000) has been capitalised. This investment has been in the expansion of the recommendation engine and development of the codebase for new blood and urine tests, as well as enhancements to our Laboratory Information Management System (“LIMS”) to enable medical oversight and compliance with Healthcare Inspectorate Wales, and the customer dashboard that allows all customers to securely activate their test kits and enter their personal data, regardless of their point of purchase. The development of the platform also ensures that users of our tests have access to a high standard of clear guidance and information provided by doctors, within a secure digital environment, that is accessible to healthcare professionals.

Sales and marketing costs reduced from £936,000 to £621,000 during the year under review due to reduced commission payable on COVID Fit to Fly consignment sales as well as tight budgetary control and the focus of our cash spend on the development of the platform to meet our principal customer’s requirements around the new product launch. Marketing costs are likely to increase in 2024 due to an increase in marketing activities to raise awareness of the value proposition and to drive growth in sales of wellness products.

Total administrative expenses fell to £1,788,000 (2022: £2,343,000) largely due to the reallocation of platform development and maintenance costs to cost of sales following the launch of the new wellness portfolio of tests in the current year.

As part of our ongoing focus on tight cost control a detailed review of overheads was also undertaken and, as a consequence, several roles in the business were made redundant in August 2023; the associated cost amounted to £114,000. In FY22 the decision was also taken to close the Manchester laboratory at a total cost of approximately £226,000 (including the loss on disposal of laboratory equipment) as the facility was no longer operating cost effectively following the drop in demand for COVID PCR “Fit to Fly” tests. The impairment charge of £50,000 in administration expenses in FY22 relates to patents and other costs associated with the MYLO/myLotus products no longer sold which were previously capitalised.

The Group’s operating loss amounted to £361,000 (2022: £1,506,000 *profit*) and, after net interest income of £166,000 (2022: £2,000 *expense*) the release of the provision for contingent consideration of £1m and the impairment of the associated goodwill of £987,000 in the prior year, the Group’s loss before taxation was £195,000 (2022: £1,517,000 *profit*). After a research and development tax credit of £36,000 the Group’s loss after tax amounted to £159,000 (2022: £1,517,000 *profit*) giving a basic (loss)/earnings per share of (0.31)p *loss* (2022: 2.94p *earnings*).

Adjusted EBITDA is calculated as follows:

	2023	2022
	£'000	£'000
Operating (loss)/profit	(361)	1,506
Depreciation, amortisation and loss on disposal of equipment	224	222
Impairment of intangible assets	-	378
Share based payments	38	(20)
Redundancy costs	114	-
Laboratory closure costs *	-	171
Adjusted EBITDA	15	2,257

**excluding the loss on disposal of laboratory equipment*

Financial position

The Group's net assets as at 31 December 2023 amounted to £8,704,000 (2022: £8,850,000). This comprised total assets of £13,342,000 (2022: £11,428,000) and total liabilities of £4,638,000 (2022: £2,578,000). The total assets included plant and equipment and right-of-use assets of £129,000 (2022: £150,000) and intangible assets, being development costs in respect of the digital platform and patent costs, of £1,462,000 (2022: £1,098,000). Working capital was closely managed during the year and had reduced significantly by the year-end.

Cashflow

The Group's cash balance at the year-end was £7,749,000 (2022: £7,608,000). Tight control of working capital resulted in a net cash generated from operations of £564,000 (2022: £1,608,000) before net interest receivable of £160,000 (2022: £2,000 expense). Cash outflows from investing activities (primarily on the development of the digital platform) amounted to £567,000 (2022: £338,000) whilst £52,000 (2022: £47,000) was spent on financing activities. A tax repayment of £36,000 in respect of an R&D claim from a prior period was also received.

Capital management

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

Key Performance Indicators ("KPIs")

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

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

Internal reporting and the review of non-financial KPIs has been enhanced during the year and are being considered as measurements and targets for operational performance. These KPIs include the monitoring of Trustpilot scores, which have increased from 4.4 to 4.5, as a key measure of customer satisfaction.



Lesley Innes
Director
3 June 2024

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY REPORT

The Board strongly believes in the importance of good corporate governance and its accountability to all stakeholders, including shareholders, employees, customers and suppliers. The Chairman's role is to lead the Board and he also has ultimate responsibility for the provision of proper standards of corporate governance which the Board believes will help the Company to achieve its strategic goals and is vital for its future success.

The Company 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.

The Board and responsibilities

The QCA Code requires that boards of AIM companies have an appropriate balance between executive and non-executive directors, at least two should be independent. On 26 July 2023 the Company announced that Nicholas Edwards, the CFO was leaving the business on 31 July and that Lesley Innes, a non-executive director at the time, would take over Board responsibility for the Company's finance function. As Amber Vodegel also joined the Board in July the Board now comprises a Non-Executive Chairman, two executive Directors and three non-executive Directors. Details of the individual directors and their biographies are set out on page 13.

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 also ensures that no single individual or group of individuals can dominate the decision-making process.

Further details on how MyHealthChecked has complied with the ten broad principles of the QCA Code are set out below.

Principle 1: "Establish a strategy and business model which promotes long-term value for shareholders".

MyHealthChecked has evolved its business model to be able to provide diagnostic products and services and digital advice based on test results to create an efficient customer experience for both B2B and B2C customers. The business model is specifically focused on:

- developing and commercialising products targeted to home-testing;
- developing a digital platform that enables B2B and B2C customers to access information efficiently and securely, whilst learning from the customer;
- ensuring the Company's product portfolio meets any relevant industry requirements;
- expanding the Company's target markets in line with business opportunities, whilst ensuring the regulatory approvals and processes are complied with;
- satisfying customer needs within the identified target market; and
- development of a suite of products aimed at helping people to take control of their personal wellness.

Further details of the Company's strategy and business model can be found in the Chairman and Chief Executive's Report on page 2.

Principle 2: "Seek to understand and meet shareholder needs and expectations."

The Board believes it is important to provide shareholders with clear and transparent information on the Group's activities, strategy and financial position. Responsibility for investor relations rests with the Chairman whose contact details are provided on the website.

The Annual General Meeting is the principal forum for dialogue with shareholders who are encouraged to attend. They are also provided with contact details for the Company on all announcements made via RNS and are invited to join live investor presentations via the Investor Meet Company, a digital platform that provides free, direct access to each event. The Company also has a dedicated electronic communication line specifically for shareholders' enquiries. In addition, corporate information (including all RNS announcements) is available to shareholders, investors and the public on our website.

The Company's broker arranges meetings with the Company's institutional and other shareholders as appropriate during the year. The Board also ensures that the voting decisions of Shareholders are reviewed and monitored and that approvals sought at the Company's AGM are generally within the recommended guidelines of the QCA Code.

Principle 3: “Take into account wider stakeholder and social responsibilities and their implications for long term-success”

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards its employees, customers and suppliers and to take into account, where practicable, the social, environmental and economic impact of its activities on its stakeholders. Further details are set out in the Statement of Directors’ Responsibilities under s172(1) Companies Act 2006 on page 14.

Principle 4: “Embed effective risk management, considering both opportunities and threats, throughout the organisation.”

Responsibility for the management of risk in the business rests with the Board. The Company’s business is subject to a number of risks and uncertainties and the Board continually considers how to identify and mitigate the key business risks that could impact upon performance. The principal risks and uncertainties facing the Group and how they are being addressed are set out on page 10.

Principle 5: “Maintain the board as a well-functioning, balanced team led by the Chair.”

The members of the board have a collective responsibility and legal obligation to promote the interests of the Group and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.

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 the management of the business and 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 Group monitoring the business and affairs on behalf of the Shareholders, to whom the Directors are accountable. The Board also addresses issues relating to internal control and the Group’s approach to risk management.

The day-to-day management of the Group’s business is delegated to the two executive directors and the performance of Directors is reviewed informally by the Chairman on an ongoing basis with action taken to address any issues arising as appropriate. During the year to 31 December 2023, the Board held 11 scheduled meetings as well as a number of additional meetings which were held as required.

Details of the board sub-committees are set out below.

Audit Committee

Following her move to an executive role during the period under review Lesley Innes has stepped down from her role as Chair of the Audit Committee. The Audit Committee now comprises Neil Mesher as Chair and Adam Reynolds. They will meet not less than twice a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive updates 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, which meets as and when required, is responsible for identifying and nominating members of the Board. Adam Reynolds is the Chairman of the Nomination Committee, which Penny McCormick and Amber Vodegel also sit on.

The Remuneration Committee

Adam Reynolds is the Chairman of the Remuneration Committee, which Lesley Innes and Lyn Rees also sit on. The committee meets as and when required. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements and the award of share options with due regard to the interests of the Shareholders and the performance of MyHealthChecked PLC.

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

The Board has significant industry, financial, public markets and governance experience coming from a diverse range of backgrounds and bringing a mix of experience, skills and personal qualities to deliver the Group’s strategy and put into effect the Group’s business plan. Each director takes their continuing professional development seriously and undertakes training from relevant professional and industry bodies in the form of attending seminars, conferences and continual updates of knowledge and industry practice.

As well as providing training on compliance with the AIM Rules on induction, the Company’s NOMAD provides regular updates to Board members in the areas of governance, regulatory compliance and the AIM Rules. The Directors have access to the Company’s other advisers as required including the Company Secretary, legal advisers and auditors and they also have the authority to obtain external advice as deemed necessary.

As stated above Board composition is also regularly reviewed to consider the balance of skills, personal qualities and diversity. Penny McCormick and Lesley Innes serve on the Board, and the Board is mindful of the issue of gender balance. However, appointments are made based on the level of required skills, knowledge and experience brought to the Board as a whole. The Chairman reviews the diversity of the Board on an ongoing basis

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

The performance of the Directors is reviewed informally by the Chair on an ongoing basis and action taken to address any issues arising as appropriate. The Directors have a detailed knowledge of the business and the requirements of Directors’ fiduciary duties. Further training and development will be considered as appropriate as the business and Board evolves. As previously noted, the Directors have access to the Company’s NOMAD, lawyers and auditors as and when required. They are also able, at the Company’s expense, to obtain advice from external bodies if required. The Board is also mindful of the need to consider succession planning.

There is a strong flow of communication between the Directors with the agenda for board meetings containing standing Agenda items as well as additional items dealing with the strategic and operational needs of the business. Papers are circulated in advance to give Directors ample time to review the documentation and ensure an effective meeting. Resulting actions are tracked for appropriate delivery and follow-up.

Principle 8: “Promote a corporate culture that is based on ethical values and behaviours.”

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise Shareholder value. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and there are strong financial controls across the business to ensure on-going monitoring and early detection. A whistleblowing policy is also in place, which enables staff to raise any concerns in confidence. The Company maintains and regularly reviews all the relevant policies which are referenced within the staff handbook and provide clear guidance on what is expected of every employee of the Company.

The Board also takes its responsibilities with regard to health and safety and working practices seriously and ensures that employees are given appropriate training for the work that they have to undertake. The Health and Safety Policy, which adheres to all applicable laws, is reviewed and updated if appropriate, on a regular basis.

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

Principle 9: “Maintain governance structures and processes that are fit for purpose and support good decision making by the board.”

The Board provides strategic leadership and is continuously reviewing and evolving its corporate governance framework. The purpose is to ensure the delivery of long-term Shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans.

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the business. It is the role of the non-executive Directors to contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinising the performance of management, providing constructive challenge to the Executive management and ensuring that the Group is operating within a governance and risk framework approved by the Board. The Board also reviews and challenges the financial information produced by the executive management at the scheduled board meetings.

The matters reserved for the board are:

- Setting long-term objectives and commercial strategy;
- Approving annual budgets;
- Approving major contracts;
- Approving major expenditure;
- Approving the recruitment and remuneration of director and senior employees;
- Approving RNS and other shareholder communications
- Changing the share capital or corporate structure of the Group;
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars;

The Board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor compliance against this Code on an annual basis and revise its governance framework as appropriate. Details of the Audit Committee, the Nomination Committee and the Remuneration Committee are detailed in relation to Principle 5 above.

Principle 10: “Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders”

The Board recognises that meaningful engagement with all stakeholders is vital to the continued success of the Company. The results of all General Meetings are announced via RNS and the Annual Reports of the Company since Admission are available on the Company’s website as are all circulars, shareholder communications and the Company’s admission document. Further information on investor relations activities is described above in relation to Principle 2.

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 and formally reviewed regularly at Board level, with the non-executive members taking their management of risk responsibility seriously. In addition, the Audit Committee has responsibility for assessing and challenging the robustness of the internal control environment and risk is specifically considered by the Committee as part of the audit and reporting cycle. 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.

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 input from external expert professionals where appropriate. Senior management contribute to and update the risk registers on a regular basis and all employees recognise their responsibility to proactively identify and manage risk and opportunity in their daily activities and planning. Risk management and internal controls provide reasonable but not absolute protection against risk.

Principal Risks and Uncertainties

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

Risk	Impact	Mitigation
Market		
Global unrest	Global volatility including unrest in Ukraine and the Middle East may result in supply chain delays or price increases in relation to materials or freight costs.	The Group works closely with customers and suppliers to forecast to secure product within a timeframe that allows for potential delays, and to maximise freight efficiencies where possible.
AI technology developments	The Group's platform is unique, however rapid technological advances specifically in relation to AI could see competitor products being launched.	The Group monitors developments in AI and would utilise the technology as appropriate to optimise the recommendation engine should it be evaluated and deemed beneficial to do so. There are product development plans in place for improved technology, including further development of the bespoke digital platform and Laboratory Information Management System ('LIMS'). Market surveillance is also in place to monitor competitive activities to ensure the further development of the digital asset addresses market needs.
The market is in its infancy	The home testing market in the UK is still relatively new, and it is imperative that there are effective marketing methods and digital exposure to support the sales function by raising awareness and educating customers.	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. The Group also works closely with its principal retail partner to execute effective retail marketing campaigns, and to understand those most effective at growing sales volumes.
eCommerce infrastructure	The Group must ensure that its eCommerce platform is sufficient to support the growth phase.	The Group has upgraded its eCommerce platform to underpin business growth and support its expanding customer base. The Group has a skilled team, including experienced partner organisations, and consultants to support the company integration of all digital, automated sales and order processing systems.
Cyber Security	The Group must ensure that it optimises cyber security in order to protect customer data and avoid any data breaches or malicious cyber activity, safeguarding data from unauthorized access, alteration, or destruction.	The Group has Cyber Essentials Plus certification and regularly reviews cyber security matters to ensure compliance. All relevant staff undergo regular Cyber Security Awareness Training and the Group now has Cyber insurance in place.
Concentrated customer base	The Group is currently reliant on its major retail partner for the majority of its revenue. Any damage to, or loss of this relationship could have a material impact on the Group's performance.	The Group has focused on securing top tier customers and will continue its business development plans to maximise partnership opportunities with customers who present the greatest synergistic growth opportunities. The Group is also continuing to invest in direct sales channels.
Inflation and cost of living crisis	Reduced consumer spend on non-essential purchasing.	The Group ensures its services are priced competitively and promoted in line with retail standards. It also provides complimentary guidance to support an increasingly challenged healthcare system with its range of home Wellness tests.

Operational		
Dependence on key personnel	As a lean and efficient organization, reliance on a few key people has an inherent vulnerability.	<p>The Group has a small team of experienced in-house personnel, supported by a strong network of external specialized consultants who provide support as and when required.</p> <p>The Group conducts regular benchmark exercises to ensure remuneration packages are competitive and also offers an environment for agile working, as well as excellent personal development opportunities, in a dynamic segment of the industry.</p> <p>The Group also undertakes cross training in key functions to ensure that the infrastructure is supported through periods of absence.</p>
Product supply	Failure of third-party providers could impact customer supply.	Robust SLAs and KPIs, long range forecasts and close and regular communication channels with suppliers are in place to ensure the Group has long sight of any potential issues for optimal customer impact mitigation.
Financial		
Currency fluctuations	Currency fluctuations could increase costs, pricing and affect profitability.	At present the Group does not have a material currency exposure as all of sales and the majority of purchases are sterling denominated. If this were to change an appropriate hedging strategy would be implemented.
Legal		
GDPR litigation	Data Protection legislation around Special Categories of Data is extremely robust and a data breach would be reputationally damaging. The Group operates systems that hold sensitive categories of confidential personal data including that of its customers.	The Group fulfills GDPR responsibilities diligently and has a dedicated Data Protection Officer who has carried out a full GDPR audit. The Group continues to review and tighten its cyber, data protection and security policies for continuous improvement in line with ISO 27001, and undergoes regular review and audit.
Compliance with regulations	Reputational and the effect of severe penalties.	The on-boarding processes for new Directors, employees, consultants and suppliers covers the policies and regulations relevant to the parties and a monitoring process is in place to ensure compliance.
Changes in compliance legislation	The diagnostics market is heavily regulated. The IVD Regulations, which came into effect during 2022 (with an extended transition period), increased the regulatory burden and impacted on the regulatory preparation for products prior to launch.	The Group's management has extensive experience in the diagnostics market. Where appropriate external partners have been appointed to advise on the requirements of the IVD Regulations and collaborative relationships are also maintained with the Notified Bodies (BSI and UKAS) to ensure compliance.



Penny McCormick
 Chief Executive Officer
 3 June 2024

BOARD OF DIRECTORS

Adam Reynolds – *Non-Executive Chairman*

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

Penelope McCormick – *Chief Executive Officer*

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

Lesley Innes – *Executive Director responsible for finance*

Lesley joined the MyHealthChecked Board as a non-executive director in April 2022 and took over responsibility for the finance function on a part time basis from 1 August 2023. 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 track record of working within quoted public companies including Wilshaw PLC, Eckoh PLC, Symphony Telecoms Holdings PLC and more recently as a non-executive director at REACT Group PLC where she also chaired the Audit Committee and acted as Company Secretary. Lesley also spent 14 years as Finance Director at Invigia Limited, a CRM software company specialising in customer complaints management, primarily for the finance sector, managing the sale of the company for cash to the Equiniti group in October 2014.

Neil Mesher – *Non-Executive Director*

Neil has more than 25 years of global experience within the acute healthcare and consumer wellness industries. Previously CEO of Philips for the UK and Ireland, and Senior VP for Philips North-West Europe, he is currently a non-executive director of Life Sciences Hub Wales and an advisor to Ibx Medical Analytics, an international AI player in the digital pathology space. Alongside his business responsibilities, Neil has been a Board Member and Chair of the Association of British Healthtech Industries, represented the Healthtech Industry on the Government's Life Sciences Council, and has co-chaired the Ministerial Healthtech Partnership board.

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 is currently an Executive Director of Novacyt S.A., an international specialist in clinical diagnostics. As the former CEO of both Yourgene Health plc and the BBI Group Lyn has a strong track record of delivering organic and acquisitive growth in his previous roles.

Amber Vodegel – *Non-Executive Director*

Amber joined the MyHealthChecked Board in July 2023. Amber is the Founder and original Owner of Health and Parenting Ltd, a HealthTech company that created Pregnancy+, one of the largest pregnancy apps worldwide with a user base of over two million daily active users. She managed Pregnancy+ as part of a suite of health apps under Health & Parenting Ltd from 2012 until the company was acquired by Philips in 2017. Following the acquisition she held the position of Business Leader and Transformation Advisor within Philips BG MCC. And brings to MyHealthChecked a strong knowledge of digital strategy in the healthcare space and a global network of contacts. Previously, Amber worked as a Strategy Director at a digital advertising agency with a focus on large social media campaigns as well as helping various Apps reach the number one position in their category.

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

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered their general duties under section 172(1) of the Companies Act 2006 to act in good faith and promote the success of the company for the long term benefit of its shareholders as a whole whilst having regard, amongst other things, to the interests of all of its stakeholders, including employees and business relationships with suppliers, customers and others. The board was cognizant of its responsibilities under s172(1) and board decisions during the year considered the impact on all stakeholders with specific examples set out below.

Business

The Group's strategic plan has evolved to deliver a portfolio of at home testing products and complimentary guidance on the Company's digital platform which the Board believes will deliver shareholder value in the future. As the cash generative COVID revenue stream has fallen a detailed review of overheads was undertaken and the cost base reduced to ensure the continuing financial stability of the business. The Directors continue to operate the business within tight budgetary control and in line with regulatory requirements.

Employees

The Group has few employees, but they are critical to the delivery of the Group's strategic plan. The Directors ensure that the Group complies with all UK employment laws and has implemented appropriate standards and systems to monitor and to ensure the welfare of those employees. Since the easing of COVID restrictions hybrid working has become the norm and weekly virtual meetings are held with the CEO to discuss relevant business issues and give all employees the opportunity to ask questions and provide feedback if appropriate. In addition, a new package of benefits comprising life assurance, private health, critical illness and income protection, was implemented for employees during the year which can provide appropriate support if it is needed.

Stakeholder engagement

The Group has built and maintained relationships with shareholders, advisers, key customers and suppliers. Regular meetings are held with key customers and suppliers to discuss, amongst other things, performance against SLA's, any non-conformities, supply challenges, changes to regulations, forecasting and any other relevant issues arising.

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

The Directors have taken steps to develop and strengthen its relationships with all stakeholders through dialogue and engagement. These relationships are monitored at Board level and the Board regularly reviews customer and supplier feedback, including customer satisfaction data and any complaints.

Other

The Group is sensitive to the environment in which it operates and carries out checks on key suppliers to ensure appropriate environmental standards are complied with and they operate in line with applicable laws on human rights. The Group also operates as far as practical a "paper free office" and complies with the Welsh Government's Code of Practice on Workplace Recycling.



Penny McCormick
Chief Executive Officer
3 June 2024

DIRECTORS' REPORT

The directors present their report and the audited financial statements for MyHealthChecked PLC for the year ended 31 December 2023.

Principal Activities

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

Business review and future developments

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

The Directors do not recommend a final ordinary dividend for the year (2022: £nil).

Directors and directors' interests

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

Adam Reynolds (Chairman)
Penelope McCormick
Lesley Innes
Lyn Rees
Neil Mesher
Amber Vodegel (appointed 3 July 2023)
Nicholas Edwards (resigned 31 July 2023)

Directors' interests

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

Ordinary shares of 1.5p each	2023	2022 (restated)**
Adam Reynolds	700,886	700,886
Penelope McCormick	143,333	143,333
Lyn Rees	132,738	132,738
Lesley Innes	16,666	16,666
Neil Mesher	-	-
Amber Vodegel	-	-
Nicholas Edwards*	8,333	8,333

*as at date of resignation

** restated to reflect impact of share consolidation (note 19)

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

Directors' share options

Share options issued in prior years have been restated to reflect the 15 for 1 share consolidation which took place during the current year (see note 19). Details of share options held by Directors who held office at the year end are as follows:

	Brought forward No (restated)	Granted No	Lapsed No	Carried Forward No	Date of Grant	Exercise Price (restated)
Share options						
P. McCormick	666,667	-	-	666,667	05/06/20	12.0p
P. McCormick	666,666	-	-	666,666	28/07/21	52.5p
P. McCormick	666,667	-	-	666,667	13/10/22	24.0p
P. McCormick	-	600,000	-	600,000	25/09/23	9.5p
P. McCormick total	2,000,000	600,000	-	2,600,000		
L. Rees	133,333	-	-	133,333	28/7/21	52.5p
L. Rees	-	100,000	-	100,000	25/9/23	9.5p
L. Rees total	133,333	100,000	-	233,333		
A. Reynolds	66,667	-	-	66,667	28/7/21	52.5p
L. Innes	-	200,000	-	200,000	25/9/23	9.5p
N. Mesher	-	200,000	-	200,000	25/9/23	9.5p
A. Vodegel	-	100,000	-	100,000	25/9/23	9.5p
Total	2,200,000	1,200,000	-	3,400,000		

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

The remuneration of the directors in MyHealthChecked PLC who held office during the year to 31 December 2023 was as follows:

	Salaries/ fees	*Other benefits	Pension costs	Termination payments**	Share- based payments	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adam Reynolds	60	-	-	-	1	61	53
Penelope McCormick	288	16	23	-	29	356	336
Lesley Innes	97	-	-	-	2	99	46
Neil Mesher	45	-	-	-	2	47	35
Lyn Rees	35	-	-	-	2	37	29
Amber Vodegel	17	-	-	-	1	18	-
Nicholas Edwards	58	6	6	63	-	133	75
Gareth Davies	-	-	-	-	-	-	45
Laura Moore	-	-	-	-	-	-	11
	600	22	29	63	37	751	630

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

** Termination payments includes contractual payments in lieu of notice

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.

Development activities

MyHealthChecked is focused on developing its digital platform to support and enhance the current product offering and to facilitate the building of long term customer relationships based on guidance, support and monitoring to help customers achieve their wellness goals.

The total development expenditure for the year ended 31 December 2023 amounted to £982,000 (2022: £856,000) of which £521,000 (2022: £310,000) was capitalised and £461,000 (2022: £546,000) was expensed in the income statement. The capitalised expenditure was incurred on the development of the digital platform as well as expanding the product range. Further details of the development activities are disclosed in the Joint Chairman and Chief Executive's Report.

Financial Risk management

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

Going Concern

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

Substantial shareholdings

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

	31 December 2023	31 May 2024
	%	%
Mercia Investment Plan LP*	11.49%	11.49%
Global Prime Partners Limited	8.69%	8.69%
Mr Stephen Gayle	5.51%	6.34%
Mr Donald Hamilton	3.39%	3.23%

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

Statement of Disclosure to the Auditors

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

Auditor's appointment

A resolution to re-appoint Gravita Audit Limited as the Company's Auditor will be proposed at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance Company law which requires the directors to prepare group and parent company financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with UK adopted International Accounting Standards ("IFRS") and elected to prepare the Parent Company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Group and the Parent Company for that year.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

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

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

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

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

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

By order of the Board



Lesley Innes
Company Secretary
3 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC

For the year ended 31 December 2023

Opinion

We have audited the financial statements of MyHealthChecked PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 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 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted IFRSs;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing bank statements to monitor the cash position of the Group post year end.
- Obtaining an understanding of significant expected cash outflows in the forthcoming 12-month period from the date of signing these financial statements.
- Assessing significant post year events that have a material effect on the financial statements.

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. However, because not all future events or conditions can be predicted this statement is not a guarantee as to the Group's ability to continue as a going concern.

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 investment in subsidiary
- 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>Carrying value of investment in subsidiary – Parent Company financial statements only</p> <p>The Parent Company had an investment in its subsidiary of £4,243,000 at the year ended 31 December 2023 (2022: £4,243,000). The Directors have confirmed the investment was being held at cost less provision for impairment.</p> <p>We identified a risk that the investment held within the Parent Company financial statements in its subsidiary may be impaired.</p> <p>Management’s assessment of the recoverable amount of the investment in its subsidiary requires estimation and judgement around assumptions used. Management had assessed the recoverable amount to be at least the net asset value of the investment. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Assessed the methodology used by management to estimate value of its subsidiary, which was based on net assets, to be suitable. • Verified the net assets figure used in management’s valuation. • Ensured that disclosures of the key judgements and assumptions, and sensitivities of the impairment loss recognised was appropriately disclosed. <p>Based on the audit work performed, we are satisfied with management’s assertion that no further impairment exists.</p>
<p>Carrying value of goodwill and other intangible assets – Group financial statements</p> <p>Intangible assets are made up of Patents, Know-how, Goodwill, Other development costs and Platform and website development.</p> <p>Know-how, Goodwill and Other development costs were all disposed of in the prior year.</p> <p>The remaining intangible assets are Patents and Platform and website development.</p> <p>The Group has patents amounting to £13,000 (2022: £15,000).</p>	<p>Intangibles other than goodwill are only assessed for impairment when indicators of impairment exist. We have considered the life cycle and the fair value of intangibles held by the Group.</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained management’s forecast for future value in use of the intangible assets including current business options and plans being considered by management for the use of the Platform and website development; • Assessed the reliability of forecasts by assessing the reasonableness of inputs;

<p>Platform and website development was made up of IT systems including a website and digital database. The carrying value of this has been recognised at £1,449,000 as at the year end (2022: £1,083,000).</p> <p>The Directors have confirmed all intangibles, including additions of £521,000 (2022: £316,000) and disposals of £nil (2022: £2,542,000) were correctly recognised.</p> <p>The directors are satisfied that the carrying value of Platform and website development as at the year-end is correct.</p> <p>There is a risk that the carrying value of intangibles is not appropriately considered and further impairments may be required.</p>	<ul style="list-style-type: none"> • Reviewed management and challenged management on their judgements of the forecasted sales over the useful life of the intangible assets; • Assessed the ongoing projects viability and ensured they met the criteria defined in the accounting standards for intangibles; and • Tested the clerical accuracy of management’s forecast. <p>Based on the audit work performed, we are satisfied with management’s assertion that no further impairment exists.</p>
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Our application of materiality

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

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

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

	Group financial statements	Parent Company financial statements
Overall materiality	£110,000 (2022: £223,000)	£101,000 (2022: £102,000)
How we determined it	Based on 1% of revenue (2022: Based on 1% of revenue)	Based on 1% of gross assets (2022: Based on 1% of gross assets)
Rationale for benchmark applied	We believe that revenue is a primary measure used by shareholders in assessing the performance of the Group.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Parent Company as it is the holding company within the Group.
Performance materiality	75% of overall materiality	75% of overall materiality
	In setting the level of performance materiality we considered a number of factors including likelihood of misstatements based on our past experience of auditing 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 £101,000 to £109,000 (2022: £41,000 to £220,000).

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £5,500 (Group audit) (2022: £11,150) and £5,050 (Parent Company audit) (2022: £5,100) 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 four reporting units, comprising the Group's operating businesses and holding companies. During the year, two of these reporting units, which had no significant activities in the year, were dissolved.

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 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). The two remaining reporting units, The Genome Store Limited and Nell Health Limited, which were dissolved in the year, were audited insofar as their results were included in the consolidated financial statements.

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

Other information

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The extent to which the audit was considered capable of detecting irregularities including fraud

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:
 - The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements and;
 - AIM regulations and Market Abuse Regulations
- 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.

MYHEALTHCHECKED PLC

Financial statements for the year ended 31 December 2023

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence 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 Group and Parent 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
- reviewing correspondence with HMRC and the Group's legal advisors.

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 non-compliance 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 by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Other matters which we are required to address

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

Use of this report

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

Gravita Audit Limited

Jan Charlesworth
SENIOR STATUTORY AUDITOR
For and on behalf of

Gravita Audit Limited
Chartered Accountants & Statutory Auditor
Aldgate Tower
2 Lemn Street
London E1 8FA

3 June 2024

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 December 2023

	Notes	2023 £'000	2022* £'000
Revenue		10,977	22,314
Cost of sales		(8,929)	(17,529)
Gross profit		2,048	4,785
Sales and marketing costs		(621)	(936)
Other administrative expenses		(1,636)	(2,087)
Redundancy costs	5	(114)	-
Closure of laboratory costs	5	-	(226)
Impairment of patents	12	-	(50)
Share based payments	21	(38)	20
Administration expenses	5	(1,788)	(2,343)
Operating (loss)/profit		(361)	1,506
Finance income	7	168	3
Finance expense	7	(2)	(5)
Contingent consideration no longer payable on the acquisition of Nell Health Limited	18	-	1,000
Impairment of goodwill arising on acquisition of Nell Health Limited	12,18	-	(987)
(Loss)/profit before income tax		(195)	1,517
Tax credit	8	36	-
(Loss)/profit for the year		(159)	1,517
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the year		(159)	1,517
Attributable to owners of the parent:		(159)	1,517
(Loss)/earnings per ordinary share – basic	9	(0.31)p	2.94p
Fully diluted (loss)/earnings per ordinary share	9	(0.31)p	2.92p

All activities relate to continuing operations.

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

**Sales and marketing costs and cost of sales in the prior year have been restated on a comparable basis to the year ended 31 December 2023. In addition, basic and fully diluted earnings per share have been restated to reflect the share consolidation that took place during the current year (see note 19).*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Plant and equipment	10	79	75
Right of use assets	11	50	75
Intangible assets	12	1,462	1,098
Total non-current assets		1,591	1,248
Current assets			
Inventories	13	342	1,284
Trade and other receivables	14	3,660	1,288
Cash and cash equivalents	15	7,749	7,608
Total current assets		11,751	10,180
Total assets		13,342	11,428
Current liabilities			
Trade and other payables	16	4,612	2,525
Lease liabilities	17	26	29
Total current liabilities		4,638	2,554
Non-current liabilities			
Lease liabilities	17	-	24
Total non-current liabilities		-	24
Total liabilities		4,638	2,578
Net assets		8,704	8,850
Share capital	19	780	780
Employee Benefit Trust reserve	19	(25)	-
Deferred shares	19	-	6,359
Share premium account	20	-	16,887
Capital redemption reserve	20	-	1,815
Reverse acquisition reserve	20	(6,044)	(6,044)
Retained earnings	20	13,993	(10,947)
Total equity		8,704	8,850

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 3 June 2024 and were signed on its behalf by:



Lesley Innes
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Employee Benefit Trust reserve £'000	Deferred shares £'000	Share Premium £'000	Capital redemption reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total £'000
Equity as at 1 January 2022	756	-	6,359	16,671	1,815	(6,044)	(12,444)	7,113
Profit for the year	-	-	-	-	-	-	1,517	1,517
Total comprehensive profit	-	-	-	-	-	-	1,517	1,517
Share-based payments (note 21)	-	-	-	-	-	-	(20)	(20)
The Genome Store Limited deferred consideration	24	-	-	216	-	-	-	240
Equity as at 31 December 2022	780	-	6,359	16,887	1,815	(6,044)	(10,947)	8,850
Loss for the year	-	-	-	-	-	-	(159)	(159)
Total comprehensive loss	-	-	-	-	-	-	(159)	(159)
Capital reduction (note 19)	-	-	(6,359)	(16,887)	(1,815)	-	25,061	-
Employee Benefit Trust shares	-	(25)	-	-	-	-	-	(25)
Share-based payments (note 21)	-	-	-	-	-	-	38	38
Equity as at 31 December 2023	780	(25)	-	-	-	(6,044)	13,993	8,704

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
(Loss)/profit before taxation	(195)	1,517
Adjustments for:		
Non-cash movement in provisions and accruals	(1,165)	(1,000)
Depreciation and amortization	223	222
Impairment of intangible assets	-	1,365
Loss on sale of fixed assets	1	55
Finance expenses	2	5
Finance income	(168)	(3)
Share-based payments	38	(20)
Adjusted operating (loss)/profit before changes in working capital	(1,264)	2,141
Changes in working capital		
Decrease/(increase) in inventory	942	(787)
(Increase)/decrease in trade and other receivables	(2,366)	1,044
Increase/(decrease) in trade and other payables	3,252	(790)
Cash generated in operations	564	1,608
Net interest received/(paid)	160	(2)
Net cash inflow from operating activities	724	1,606
Investing activities		
Purchase of plant and equipment	(46)	(22)
Purchase of intangible assets	(521)	(316)
Net cash flows used in investing activities	(567)	(338)
Financing activities		
Purchase of Employee Benefit Trust shares	(25)	-
Repayment of lease liability	(27)	(47)
Net cash flows from financing activities	(52)	(47)
Taxation		
Tax credit received	36	-
Net cashflows from taxation	36	-
Net change in cash and cash equivalents	141	1,221
Cash and cash equivalents at the beginning of the year	7,608	6,387
Cash and cash equivalents at the end of the year	7,749	7,608

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 distribution, development and commercialisation of a range of “at-home” healthcare and wellness tests.

The consolidated financial statements comprised of the Company and its subsidiary (together referred to as “the Group”) as at and for the year ended 31 December 2023. The Parent Company’s 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. The accounting policies of the Company only financial statements are disclosed in the Notes to the Company Financial Statements.

Basis of preparation

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

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

Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiary (“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.

The Employee Benefit Trust (“EBT”) is consolidated on the basis that the Parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

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 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 2023 financial statements:*

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

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Amendments to the Sustainability Accounting Standards Board (SASB) standards
- Lack of Exchangeability (Amendments to IAS 21)
- Presentation and Disclosure in Financial Statements (IFRS 18)

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

Going concern

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

Foreign currency

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

Revenue recognition

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.

Revenue is recognised when control of the products has been transferred to the customer. Control is considered to have transferred once products have been dispatched to the customer, except where stock is held on consignment by a retail partner, control passes when the end user is in receipt of the product. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

Operating segments

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

Employee benefits

(i) Short-term benefits

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

(ii) Defined contribution plans

The Group operates defined contribution pension schemes for eligible employees. The assets of the schemes 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: lessee

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 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 '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 payments

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 is recorded in retained earnings. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

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

Plant and equipment

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 plant and equipment, evenly over their expected useful lives, calculated at the following rates:

Laboratory, computer and office equipment, 25% straight line

The carrying value of 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) Development costs

Expenditure on the development of the digital platform is recognised as an intangible asset only when the following criteria are met:

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

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

(ii) Intellectual Property

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

(iii) Know How

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

Deferred taxation

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

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

Recognition of deferred tax assets is restricted to those instances where it is probable that a 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 period 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 period. 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, 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, a financial asset is measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – equity instrument; or Fair Value through Profit or Loss (FVTPL). The Group classifies all its financial assets as trade receivables and other receivables. The business model of the Group is such that there is only one business class and as such, all financial assets fall under the same classification.

Trade receivables and other receivables that have fixed or determinable payment dates, and 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

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements. Financial liabilities are measured at amortised cost using the effective interest rate method unless they are required to be measured at fair value through profit or loss or the Group has opted to measure them at fair value through the profit or loss. The effective interest rate method calculates the amortised cost of a financial liability and allocates interest expense to the relevant period.

The recognition of liabilities occurs when the Group becomes party to the contractual provisions of the instrument. The derecognition of financial liabilities occurs when the obligation under the liability is discharged, cancelled or expires. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Provisions

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

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

Summary of critical accounting estimates and judgements

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

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

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

- *Useful lives of depreciable assets*

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

- *Intangible assets*

The Group's intangible assets comprise, patents, know-how, goodwill, other development costs, the digital platform and website development. The assessment of the future economic benefits generated by these separately identifiable intangible assets, and the determination of their amortisation profile, involves a significant degree of judgement based on management's 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 meets the definition of a financial instrument and is classified as equity, then it is not remeasured 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 the consolidated statement of comprehensive income.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

- *Contingent deferred consideration*

This related to performance based contingent consideration payable of £nil (2022: £1,000,000) relating to the acquisition of Nell Health Limited. See note 18 to the accounts for further information.

- *Share-based payments*

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

- *Taxation*

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

- *Leases*

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

3. Financial Risk Management

Financial instruments by category

Financial assets	2023	2022
	£'000	£'000
Cash and cash equivalents	7,749	7,608
Trade receivables	3,606	1,220
Other receivables and accrued income	6	7
Financial assets at amortised cost	11,361	8,835
Financial liabilities	2023	2022
	£'000	£'000
Trade and payables	3,638	493
Accruals	260	1,796
Other payables	41	68
Trade and other payables	3,939	2,357
Lease liabilities	26	53
Financial liabilities at amortised cost	3,965	2,410

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:

2023	Within 1 year	1-2 years	2-5 years
	£'000	£'000	£'000
Trade and other payables	4,602	-	-
Lease liabilities	26	-	-
Total	4,628	-	-

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

Market risk - interest rate risk

The Group's exposure to cash flow interest rate risk is minimal. The amounts outstanding at the end of 2023 and the interest rate and repayment profiles for the loans and borrowings are disclosed in the note 17 Lease liabilities.

Capital risk management

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

4. Segment information

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

	2023	2022
	£'000	£'000
COVID related products	10,633	22,305
Other	344	9
Revenue for the provision of diagnostic healthcare products	10,977	22,314
Profit for the provision of diagnostic healthcare products	275	1,985
Corporate costs	(636)	(479)
Deferred consideration adjustments	-	13
Net finance income/(expenses)	166	(2)
Group (loss)/profit before tax	(195)	1,517
Cash	7,749	7,608
Segment assets	5,566	3,778
Corporate assets	27	42
Total assets	13,342	11,428
Segment liabilities	4,402	2,105
Corporate liabilities	236	473
Total liabilities	4,638	2,578

The assets associated with the provision of diagnostic health care products are all located in the UK. During the year ended 31 December 2023 sales of diagnostic healthcare products amounting to approximately £11m (2022: £22.3m) of which £10.5m (2022: £18.3m) were made to one customer as direct sales as well as on an agency basis.

5. Administration expenses

	2023	2022
	£'000	£'000
Auditor remuneration		
- Audit of parent company	29	25
- Audit of subsidiaries	20	17
- Other services	10	10
Legal and professional fees	193	223
Depreciation of plant and equipment	41	55
Depreciation of right-of-use assets	25	25
Loss on disposal of fixed assets	1	-
Amortisation and impairment of intangible assets	157	1,507
<i>Less amounts charged elsewhere</i>	<i>(212)</i>	<i>(1,526)</i>
Redundancy costs	114	-
Closure of laboratory*	-	226
Development costs	982	856
<i>Less amounts charged elsewhere</i>	<i>(982)</i>	<i>(310)</i>
Lease rentals (note 11)	59	81
Staff costs (note 6)	829	573
Less : redundancy costs above	(114)	-
Foreign exchange losses	-	7
Share based payments (note 21)	38	(20)
Other administrative expenses	598	594
	1,788	2,343

*Laboratory closure costs in 2022 also comprised staff costs of £59,000, property costs of £49,000, asset impairment of £55,000 and a stock write-off of £63,000.

6. Employees and directors

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

	2023	2022
	Number	Number
Directors (including non-executive directors)	6	6
Direct labour	3	2
Development costs	3	5
Administration	3	6
Marketing	1	2
Total	16	21

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

	2023	2022
	£'000	£'000
Salaries and wages (including directors)	1,204	1,210
Social security costs	128	133
Pension costs	57	54
Share-based payments (relating to employees)	38	(16)
Total staff costs	1,427	1,381

Less sales and marketing staff costs :

Salaries and wages	(279)	(357)
Social security costs	(37)	(48)
Pension costs	(20)	(19)
	(336)	(424)

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

Salaries and wages	(195)	(341)
Social security costs	(21)	(39)
Pension costs	(8)	(20)
	(224)	(400)

Salaries and wages (including directors)	730	512
Social security costs	70	46
Pension costs	29	15
Total staff costs (excluding share-based payments) included in administration expenses (note 5)	829	573

Key management personnel compensation

Directors' emoluments for the year were as follows:

	2023	2022
	£'000	£'000
Salaries/fees	482	416
Performance related pay*	118	186
Termination payment (including PILON)	63	-
Other benefits	22	18
Pension costs	29	26
Share-based payments	37	(16)
	751	630

*Included in performance related pay is an amount of £37,000 (2022: £nil) which was paid as employer's pension contributions during 2024.

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

	2023	2022
	£'000	£'000
Highest paid Director	356	336

7. Finance income and expense

	2023	2022
	£'000	£'000
Finance income		
Bank interest receivable	168	3
Finance expense		
Lease interest payable	2	5

8. Tax credit

	2023	2022
	£'000	£'000
Current year tax	-	-
Prior year tax: R&D tax credit received	36	-
Total	36	-

Factors affecting the current year 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:

	2023	2022
	£'000	£'000
(Loss)/profit on ordinary activities before income tax	(195)	1,517
Standard rate of corporation tax	23.5%	19%
Profit before tax at the standard rate	(46)	288
<i>Effects of:</i>		
Non-deductible expenses	4	4
Other items	9	(5)
Trading losses carried/(brought) forward	20	(303)
Deferred tax movements not recognised	5	15
Other timing differences	8	1
Current year tax	-	-

The Group has not recognised the deferred tax asset arising from the accumulated tax losses carried forward of approximately £8.2m (2022: £8.2m) due to the uncertainty of their future recovery.

9. (Loss)/earnings per share

	2023	2022
Basic and diluted		
(Loss)/profit after tax for the year	£(159,000)	£1,517,000
Weighted average number of shares - basic	52,005,932	51,620,200
Less shares held by the Employee Benefit Trust (weighted)	(34,804)	-
Weighted average number of shares	51,971,128	51,620,200
Weighted average number of shares – fully diluted*	51,971,128	51,881,533
Earnings per share	(0.31)p	2.94p
Fully diluted earnings per share	(0.31)p	2.92p

*Due to the loss for the year ended 31 December 2023 the effect of the weighted average 772,358 ordinary shares arising from unexercised share options was considered anti-dilutive and therefore they have not been included in the calculation of the fully diluted weighted average number of shares for that period.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares excludes the shares held by the Employee Benefit Trust. The comparative figures have also been restated to reflect the impact of the share consolidation referred to in note 19.

10. Plant and equipment

	Laboratory equipment £'000	Computers & office equipment £'000	Total £'000
Cost			
At 1 January 2022	190	23	213
Additions	16	6	22
Disposals	(93)	-	(93)
At 31 December 2022	113	29	142
Additions	12	34	46
Disposals	-	(13)	(13)
At 31 December 2023	125	50	175
Depreciation			
At 1 January 2022	39	11	50
Charge for the year	50	5	55
Disposals	(38)	-	(38)
At 31 December 2022	51	16	67
Charge for the year	31	10	41
Disposals	-	(12)	(12)
At 31 December 2023	82	14	96
Net book value			
At 31 December 2023	43	36	79
At 31 December 2022	62	13	75

11. Right of use assets

	Laboratory equipment £'000
Cost	
At 1 January 2022	-
Additions	100
At 31 December 2022 and 2023	100
Depreciation	
At 1 January 2022	-
Charge for the year	25
At 31 December 2022	25
Charge for the year	25
At 31 December 2023	50
Net book value	
At 31 December 2023	50
At 31 December 2022	75

The maturity analysis of lease liabilities is presented in note 17.

Amounts recognised in the profit or loss account

	2023 £'000	2022 £'000
Depreciation expense on right of use assets	25	25
Interest expense on lease liabilities	2	5
Expense relating to short-term leases	59	81

12. Intangible assets

	Patents £'000	Know-how £'000	Goodwill £'000	Other development costs £'000	Platform and website development £'000	Total £'000
Cost						
At 1 January 2022	120	460	1,074	882	1,309	3,845
On acquisition	6	-	-	-	310	316
Disposals	(109)	(460)	(1,074)	(882)	(17)	(2,542)
At 31 December 2022	17	-	-	-	1,602	1,619
Additions	-	-	-	-	521	521
At 31 December 2023	17	-	-	-	2,123	2,140
Amortisation						
At 1 January 2022	50	460	87	882	77	1,556
Charge for the year	11	-	-	-	131	142
Impairment	50	-	987	-	328	1,365
Disposal	(109)	(460)	(1,074)	(882)	(17)	(2,542)
At 31 December 2022	2	-	-	-	519	521
Charge for the year	2	-	-	-	155	157
At 31 December 2023	4	-	-	-	674	678
Net book value						
At 31 December 2023	13	-	-	-	1,449	1,462
At 31 December 2022	15	-	-	-	1,083	1,098

13. Inventories

	2023 £'000	2022 £'000
Raw materials	42	46
Finished goods	300	1,238
	342	1,284

The material cost of inventory expensed to cost of sales during the year ended 31 December 2023 amounted to £9,082,000 (2022: £16,184,000); this included an impairment provision of £171,000 (2022: £252,000). In addition, a surplus accrual of £1,165,000 for the processing of COVID PCR nasal swab kits sold in earlier years, which were not returned by customers and have now expired, was released to cost of sales during the year.

14. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	3,606	1,220
Prepayments and accrued income	54	61
Other receivables	-	7
	3,660	1,288

15. Cash and cash equivalents

	2023	2022
	£'000	£'000
Cash at bank and in hand	7,749	7,608

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

16. Trade and other payables

	2023	2022
	£'000	£'000
Trade payables	3,638	493
Accruals and deferred income	270	1,834
Social security and other taxes payables	663	130
Other payables	41	68
	4,612	2,525

17. Lease Liabilities

	2023	2022
	£'000	£'000
Current		
Lease liabilities	26	29
Non-current		
Lease liabilities	-	24
	26	53

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

	2023			2022		
	Minimum lease payment £'000	Interest £'000	Present value £'000	Minimum lease payment £'000	Interest £'000	Present value £'000
Within one year	26	1	26	27	1	27
Between one and two years	-	-	-	26	2	26
Between two and five years	-	-	-	-	-	-
Total	26	1	26	53	3	53

18. Contingent deferred consideration

This related to performance based contingent consideration in respect of the acquisition of Nell Health Limited during the year ended 31 December 2021. The deferred consideration of £1m was released in the prior year as certain performance milestones were not met. The goodwill associated with the contingent consideration no longer payable was also impaired in full in the prior year.

19. Share capital

	2023	2022
	£'000	£'000
Deferred shares of 2.4p per share		
Nil (2022: 264,946,675) deferred shares of 2.4p each	-	6,359
Ordinary shares		
52,005,932 ordinary shares of 1.5p each (2022: 780,088,967 ordinary shares of 0.1p each)	780	780
	780	7,139

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

On 11 May 2023, 13 new Ordinary Shares were allotted to the Company's registrars, Neville Registrars Limited, so that the total number of existing Ordinary Shares would be exactly divisible by 15 for the purpose of a share consolidation.

On 12 May 2023 the 780,088,980 existing Ordinary Shares of 0.1 pence each were consolidated on a 15 for 1 basis, such that every 15 existing Ordinary Shares were consolidated into 1 Ordinary Share of 1.5p pence in nominal value. On completion of the share consolidation the Company had 52,005,932 new Ordinary Shares in issue.

On 24 October 2023 the Employee Benefit Trust ("EBT") acquired 184,111 ordinary shares of 1.5p each. The market value of these shares at 31 December 2023 was £24,400 (2022: £nil). There were no other transactions by the EBT in the shares of the Company during the year. The Trust has also waived any entitlement to the receipt of dividends in respect of its holding of the Company's ordinary shares.

20. Reserves

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

Share premium	Amount subscribed for share capital in excess of nominal value.
Employee Benefit Trust reserve	This reserve holds ordinary shares of the Company acquired on the open market to satisfy (amongst other things) the future exercise of vested options granted pursuant to the Company's share option scheme.
Capital redemption reserve	The aggregate nominal value of all the ordinary shares repurchased and cancelled by the Company. The reserve is non-distributable.
Reverse acquisition reserve	Effect on equity of the reverse acquisition of Concepta Diagnostics Limited.
Retained earnings	Retained earnings represents all other net gains and losses and transactions with shareholders not recognised elsewhere.

21. Share-based payments

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

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

	2023	2022
	£'000	£'000
Options issued in respect of services received by the parent	41	54
Overprovision in prior year	(3)	(74)
Total share-based payment charge/(credit)	38	(20)

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

	2023		2022	
	Number	WAEP	Number	WAEP
			<i>(restated)</i>	<i>(restated)</i>
Balance brought forward	2,805,640	34.30p	1,885,900	42.75p
Granted	1,605,000	9.50p	1,066,667	24.00p
Lapsed during the year	(505,640)	23.31p	(146,927)	68.55p
Balance carried forward	3,905,000	22.21p	2,805,640	34.30p

The comparative figures have been restated to reflect the impact of the share consolidation referred to in note 19.

During the year 345,000 EMI options and 1,260,000 unapproved options were issued at an exercise price of 9.5p. The options vest in equal annual installments over a period of three years. At 31 December 2023 1,533,333 options were exercisable at a WAEP of 30.76p.

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

	2023	2022
		<i>(restated)</i>
EMI scheme		
Number of options	1,335,467	1,390,467
Exercise price range	9.5p to 52.5p	12p to 52.5p
Exercise period	June 2021 – September 2033	June 2021 – October 2032
Unapproved scheme		
Number of options	2,569,533	1,415,173
Exercise price range	9.5p – 52.5p	24p to £1.12
Exercise period	July 2022 – September 2033	July 2016 – October 2032

The weighted average remaining contractual life for the EMI and non-approved share options outstanding at 31 December 2023 was 8.51 years (2022: 8.54 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:

	2023	2022 <i>(restated)</i>
Weighted average fair value at grant date (£)	0.095	0.24
Weighted average share price (£)	0.095	0.24
Exercise price (£)	0.095	0.24
Expected volatility	81%-269%	17%
Expected options life (years)	1-3	3
Expected dividends	0%	0%
Risk-free interest rate	4.52%	4.0%

22. Lease commitments

The Company leases certain land and buildings. Some of the rents payable under these leases are subject to review at intervals specified in the lease. The Company also leases certain plant and equipment under cancellable operating lease agreements. The lease terms are from 1- 5 years with break clauses. The total future value of minimum lease payments is due as follows:

	2023			2022		
	Plant and equipment £'000	Land and building £'000	Total £'000	Plant and equipment £'000	Land and building £'000	Total £'000
Within one year	1	20	21	1	34	35
Between one and two years	1	-	1	2	47	49
Between two and five years	-	-	-	-	-	-
Total	2	20	22	3	81	84

23. Related Party Transactions

On 2 December 2020 the Company entered into an agreement with Yourgene Health (a company of which both Adam Reynolds and Lyn Rees were directors at the time) to use the Clarigene® SARS-CoV-2 test supplied by Yourgene Health to process COVID PCR tests. Product pricing for the agreement was prepared on an arm's-length basis and there was no minimum volume requirement. Some minor amendments to accommodate the processing of the range of wellness DNA tests were incorporated by a Deed of Variation dated 2 August 2023. The Company made purchases during the year of £29,000 (2022: £437,000) of which £4,000 (2022: £1,500) was outstanding at the year end.

During the year ended 31 December 2023 fees for consultancy services provided by directors were paid as follows:

	2023 Fees £'000	2023 Outstanding at yearend £'000	2022 Fees £'000	2022 Outstanding at yearend £'000
Reyco Limited (Adam Reynolds)	48	10	50	5
LJ Consultancy (Lyn Rees)	23	2	29	3
Lesley Innes	15	-	-	-
Consulens Limited (Amber Vodegel)	11	2	-	-
Meshor Consultancy Limited (Neil Meshor)	12	12	-	-

24. Ultimate controlling party

There is no ultimate controlling party of the Company.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investment in subsidiary	3	4,243	4,243
Total non-current assets		4,243	4,243
Current assets			
Trade and other receivables	4	27	42
Cash and cash equivalents	5	5,824	5,951
Total current assets		5,851	5,993
Total assets		10,094	10,236
Current liabilities			
Trade and other payables	6	1,725	1,387
Total current liabilities		1,725	1,387
Net assets		8,369	8,849
Share capital	7	780	780
Employee Benefit Trust reserve		(25)	-
Deferred shares		-	6,359
Share premium		-	16,887
Capital redemption reserve		-	1,815
Retained earnings		7,614	(16,992)
Total equity		8,369	8,849

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 £493,000 (2022: £892,000) and is included within the consolidated statement of comprehensive income.

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 3 June 2024 and were signed on its behalf by:



Lesley Innes
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Employee Benefit Trust Reserve	Deferred shares	Share premium	Capital redemption reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity as at 1 January 2022	756	-	6,359	16,671	1,815	(16,080)	9,521
Loss for the year	-	-	-	-	-	(892)	(892)
Total comprehensive loss						(892)	(892)
Issue of shares (net of expenses)	24	-	-	216	-	-	240
Share-based payment (note 21)	-	-	-	-	-	(20)	(20)
Equity as at 31 December 2022	780	-	6,359	16,887	1,815	(16,992)	8,849
Loss for the year	-	-	-	-	-	(493)	(493)
Total comprehensive loss						(493)	(493)
Capital reduction	-	-	(6,359)	(16,887)	(1,815)	25,061	-
Employee Benefit Trust shares	-	(25)	-	-	-	-	(25)
Share-based payment (note 21)	-	-	-	-	-	38	38
Equity as at 31 December 2023	780	(25)	-	-	-	7,614	8,369

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, together with the accounting policies below, have been consistently applied 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.

Employee Benefit Trusts (“EBTs”) are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

Investment in subsidiary

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

Share-based payments

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

Taxation

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

Critical accounting estimates and judgments

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

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

2. Staff costs

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

3. Investment in subsidiary

	Investment in Subsidiary £’000
Cost	
At 1 January 2022	6,469
Capitalisation of intercompany debt	8,272
At 31 December 2022 and 2023	14,741
Impairment	
At 1 January 2022	1,817
Transfer of provision against intercompany debt now capitalised	8,271
Charge for year	410
At 31 December 2022 and 2023	10,498
Net book value	
At 31 December 2023	4,243
At 31 December 2022	4,243

The company’s wholly owned subsidiary (which was incorporated in the United Kingdom) is Concepta Diagnostics Limited (“CDL”), a healthcare company whose principal place of business is in Cardiff, Wales. CDL also had a 100% interest in two dormant subsidiary companies, Nell Health Limited and The Genome Store Limited, both of which were incorporated in the United Kingdom and have now been liquidated.

4. Trade and other receivables

	2023 £’000	2022 £’000
Prepayments and accrued income	27	42

5. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	5,824	5,951

6. Trade and other payables

	2023 £'000	2022 £'000
Amounts owed to subsidiary undertaking	1,489	914
Accruals	182	307
Social security and other taxes payable	13	145
Other payables	41	21
	1,725	1,387

7. Share capital

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

8. Related party transactions

There are no other related party transactions other than those relating to Directors that have been disclosed in note 23 of the consolidated statements.

9. Ultimate controlling party

The Company does not have an ultimate controlling party.

ADVISORS

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Solicitors:	BPE Solicitors LLP St. James House St. James Square Cheltenham GL50 3PR
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