Registered in England and Wales number 06573154

MyHealthChecked plc (Formerly Concepta plc)

Group Annual Report and Financial Statements

Year Ended 31 December 2020

Contents

STRATEGIC REPORT

2020 HIGHLIGHTS

Commercial

- Revenue growth December 2020 +498% on the same period December 2019
- Creation of MyHealthChecked brand and launch into market 2021
- Return on Advertising spend >1:3 since launch

Portfolio and accreditation

- Acquisition of The Genome Store in November 2020
- UKAS stage 2 passed 25th January 2021
- Achieved listing on Government website/gov.uk for the COVID-19 private testing providers for general Testing and Test to Release

Operational

- Divestment of Doncaster site April 2020 and relocation to Cardiff HQ, reduction in operational overheads £124k per month
- Launch of new MyHealthChecked ecommerce website and service December 2020
- Acquisition of a new Manchester laboratory, scaling up for growth and accreditation

Financial

- Share placing raising £1.9m gross @ 0.8p in April 2020, including reinvestment by Mercia's investment funds
- Oversubscribed £3.4m (gross) share placing @ 1.75p secured post-period end (Feb 2021), including further reinvestment by Mercia's investment funds

CHAIRMAN'S STATEMENT

MyHealthChecked through the acquisition of The Genome Store and its COVID-19 testing service made positive progress during the second half of 2020. The Genome Store has integrated seamlessly into MyHealthChecked since being acquired in November 2020 and our COVID-19 testing service launched on 2nd December and since then we have been included as one of the suppliers on the Government list with "Fit to Fly" and "Test to Release".

Post the year end we strengthened our financial position by raising £3.4m (gross) at 1.75p to support the commercial launch of our wider product range and to fund the development of a portfolio of easy to use DNA tests. These funds will also allow us to double our team by December 2022 and increase our investment in marketing to accelerate commercial growth.

Also following the year end we entered into an agreement with Boots to launch the MyHealthChecked (TM) COVID-19 at-home nasal swab kit and PCR laboratory testing service via www.boots.com and across over 500 Boots stores in Great Britain. It is a credit to everyone at MyHealthChecked to secure this commercial relationship and a recognition of the high quality of the product and the service delivered by the team.

I would like to take this opportunity to thank all of our staff and our executive team for the swift turnaround of the Group's position and we look forward to a successful year ahead.

Adam Reynolds
Non-Executive Chairman

CHIEF EXECUTIVE'S REVIEW

2020 has been a transformational year for MyHealthChecked as we commenced the delivery of a growth plan, and redefined our future, allowing us to begin 2021 with a clear runway ahead to revenue achievement. I look back over my first year in tenure as CEO with a level of satisfaction of the team's delivery as we have stabilised the foundations of MHC, preparing a base from which we are able to grow. Today we hold a highly credible position in the market, and a basis to grow as an organisation that has family health and wellbeing at the heart of its strategy, and I look ahead ambitiously to the potential for MyHealthChecked as we carve out a place for ourselves in the growing at-home health and wellness testing space.

Developing a strategy for growth

In my last report written in the early part of my tenure, I referenced a change in mindset regarding our portfolio, and the commencement of a focused strategic planning programme to identify key growth drivers, and the carrying out of a targeted commercial feasibility on new territories, portfolios, and vertical and horizontal expansion opportunities.

As with many businesses, COVID-19 has been a factor in the evaluation of our strategy, and following careful consideration, we made the decision to reduce the level of future R&D investment specifically within the fertility space and focus on immediate revenue generation and the building of a strategic growth plan. This resulted in us stepping back from further short-term investment in the myLotus fertility tracker, instead realigning resource and investment to deliver revenue into the business and creating shareholder value. Whilst we believe myLotus and fertility tracking may play a part in our future portfolio we believe we have an opportunity to deliver products that meet the needs of customers as their acceptance of at-home testing evolves, whilst delivering more immediate and medium term returns. We believe that a wider portfolio of test beyond fertility will allow us to grow in response to a change in customer mindset and behaviour, as the pandemic gives rise to a greater acceptance of at-home testing kits, and an understanding of the importance of laboratory accuracy.

In doing so, we realigned the goals and strategy of the business and mapped out the development of a range of accessible family healthcare tests that deliver information and actionable outcomes, with the aim to help our customers to take control of their own healthcare, whilst providing a positive customer experience.

Together we recognised the potential of operating within the growing at home testing space, on track to reach $16bn in 2027, and we responded effectively to the shift in consumer behaviour that emerged from the pandemic. This led to the acquisition of The Genome Store in November 2020, a developer of DNA tests, and targeted as an opportunity to broaden our customer base now more familiar with at-home testing and exposed to news and media messaging around the importance of underling health and wellbeing.

The Genome Store acquisition also brought to us a highly skilled scientific and operational talent into our management team and Advisory Board, and we onboarded the team efficiently. The team's experience enabled us to launch a COVID-19 PCR nasal swab test kit for at-home use, achieving inclusion on the Government provider's list on the website Gov.uk in December 2020. Our drive over the festive holiday period included an investment in brand awareness across radio and direct mail, and we began to generate income in a way that would be sustainable so long as the Government stipulated that PCR testing would be effective as part of international travel programmes during the pandemic, and potentially beyond.

The quality of our product and service, and successful launch ultimately enabled us to engage robustly with retail, and we progressed discussions further with Boots UK to discuss the future supply of our test, successfully achieving approval at each stage of a rigorous due diligence process. This led to the securing of a contract with Boots and an in-store and on-line launch on 7th April 2021, along with further agreements and endorsements with non-retail customers.

COVID-19 testing business and customer excellence

Our agile and lean organisation has allowed us to evolve throughout the pandemic, and our team has grown to 10 full time staff, supported by external expertise in key areas at critical timepoints.

During the period, we have expanded our direct to consumer base, and we have continually learned from our customers, developing a deep knowledge of their needs. Our COVID-19 test has been attractively priced to appeal to end users, whilst reflecting the quality of our product and service, and we have creatively trialled bundle offerings to multi-travellers. As the market for COVID-19 testing remains competitive and price sensitive, we will continue to work with our partners to ensure that our pricing is attractive to our customers and responsive to the market, whilst enabling us to grow as a business.

The COVID-19 testing space continues to be well populated, and in order to grow amongst this competitive set, in addition to our robust product and service offering, enhancing the customer journey has been essential. We have strived to consistently improve our customer communications and website content, putting into play the learnings from our customer interactions and a developing a call centre team equipped to support the connection between the customer, and the laboratory and dispatch service. Our enquiry to sales ratio has improved by 74% since our call centre launched 29th March and continues to reduce in line with our KPIs.

Our own compliant laboratory together with our partner laboratory ensure we have the capability and capacity to meet customer needs through 2021, and beyond, and meet the requirements of our notified body, UKAS. Our in-house laboratory processes for COVID-19 RNA testing have been verified by the Quality Control for Molecular Diagnostics (QCMD), and have passed benchmark testing at 100% accuracy, and as the Government's testing roadmap has evolved to include sequencing for variant detection, we have added this service to our portfolio.

Operationally, we have established a lean supply chain that meets the stringent needs of our customers and their associated delivery KPIs. We have transitioned our finance, purchasing, and inventory management systems so that they are suitable for a lean, revenue-generating organisation that is focused on profitability. As we continue through our growth plan, we have set up a laboratory that meets our current and future needs and allows us to define and control the products that we take to market, putting the quality of our service firmly into our hands and retaining ownership of our product portfolio.

Cost efficiencies

Cost efficiency has underpinned our operation, and we deliver with a lean and committed team that has grown in close alignment with the identification of opportunities, with as much activity undertaken in house as possible. Working in close alignment with Management, the Board has played an active role in the cost efficiencies of the operation in 2020. This has been essential in the turning around of the business, and in the laying out of an agreed direction of travel, and whilst doing so, the renumeration of the Board is modest, reflecting the early stages of the commercial strategy.

Customer growth

Our retail launch has been a major transformational milestone for MyHealthChecked and was a goal identified as the greatest opportunity for us to increase distribution, establish our position, and gain credibility and brand awareness in the market for our wider offering as part of a long term plan. This will be accompanied by a wider portfolio of wellness tests that enable personal guidance and greater ownership of our customers' personal health. We have committed to working closely with Boots and developing the relationship with the team, working hard together to meet the Government's requirements, and the customer's needs, and the needs of their customers. By being an excellent partner, we hope to leverage our position with this major, reputable pharmacy chain in the future, and build a foundation from which to aim higher, and establish ourselves firmly in the at-home testing space by maximising our relationship. Our listing and ongoing dialogue with Boots is testament to the strength of our product and service, and demonstrates our team's high performance, ability to respond with solutions, and deliver on commitments made.

Outside of Boots we have a customer base comprising travel and pharmacy partners and continue to support them whilst driving our direct to consumer sales through effective digital marketing strategies. Our aim is to ensure that our customers stay with us beyond COVID-19, as we plan ahead for portfolio growth that meets customer needs beyond the pandemic and opens up cross-selling opportunities for us.

Our future outlook and prospects

Our portfolio growth is on track and will be fundamental to the achievement of our plan, however COVID-19 must remain the number one priority for us through 2021. We are pleased to share that an initial portfolio of easy to use DNA tests is developed and launching soon. The timing of these launches will be co-ordinated to ensure we can fully utilise the same commercial energy that underpins our current COVID-19 strategy on which we are laser focused. In 2021, we are launching our expanded portfolio of at-home tests, building upon the MyHealthChecked brand which has become quickly established in the consumer space, and fast gaining greater traction and reach.

The tests that we bring to market are easy to use saliva swabs initially focusing on food sensitivities and intolerances, that will allow customers to select the areas most relevant and impactful to them, with technology and guidance to enrich their experience and enhance outcomes for them.

We have commenced 2021 a very different organisation to that of the previous January, and I am immensely proud of the team that formed during lockdown and gelled together with a commitment, energy and ambition for growth. We stand today as a team with a highly credible, compliant and successful pharmacy customer, a high street presence, a proven service, and with an operational and commercial set-up ready to deliver growth in a regulated product, poised for the needs of the market in 2021. With a strong pipeline outside of COVID-19 building and launch ready in 2021, life after COVID is exciting, and we enter this phase with growing confidence in the road to delivery gained through the experiences and delivery of 2020 and 2021 to date.

Penny McCormick
Chief Executive Officer
4 June 2021

FINANCIAL REVIEW

Income statement

The financial year to 31st December 2020 was not as planned for any business and intentions made for MyHealthChecked plc were impacted by COVID-19, however, the realignment of goals and strategy of the business enabled a revised plan to be implemented which is discussed in the CEO report.

During the year 2020, the Group continued to generating revenues for myLotus branded products, albeit at a minimum as the pandemic progressed. Revenues for MyLotus/MYLO were £22,994 (2019: £31,970) for the 12 months. Following the acquisition of The Genome Store in November 2020, the opportunity to support the COVID-19 testing rollout was possible and on 5th December 2020 the COVID-19 PCR nasal swab test kit for at-home use was launched generating revenues of £26,146 to the end of the year. Revenues in total for the year were £49,480 (2019: £31,970)

The Group's loss after taxation was £3,762,627 (2019: £2,150,053).

The administration costs, including share-based payments, incurred during the year ended 31 December 2020 of £3,117,767 (2019: £2,008,416) included impairments of development costs £621,673 (2019: £nil), loss on disposals of assets £179,718 (2019: £nil), and refund provisions of £26,250 (2019: £nil).

Other administration costs (excluding share-based payments) of £3,014,476 (2019: £1,938,695) included £487,000 (2019: £228,098) research and development costs (net of capitalized development costs), staff costs and head office costs.

The tax credit of £nil (2019: £344,876), including a prior year adjustment of £166,573) represents research and development tax credit. Full settlement of the R&D tax credit in relation to 2019 (£178,303) was received on 10 July 2020.

Loss per share

The basic and diluted loss per share was £0.01 (2019: £0.01).

Financial position

The Group net assets at 31 December 2020 were £529,376 (2019: £2,233,822). This comprised total assets of £1,335,453 (2019: £2,792,128) and total liabilities of £806,077 (2019: £558,306).

The total assets included property, plant and equipment, right-of-use assets and intangible assets (capitalised development costs, know-how, goodwill and patent costs) of £672,077 (2019: £1,494,592), of which £2,777 (2019: £281,338) represents additional development and patent costs capitalised net of amortization and impairment and equipment spend of £51,531 (2019: £14,197) during the year and cash and cash equivalents of £465,671 (2019: £616,263).

Cashflow

The Group's cash balance at the period end was £465,671 (2019: £616,263).

During the period the net cash outflow from operating activities was £2,155,010 (2019: £1,865,788) and net inflow from investing activities was total spend on property, plant and equipment and intangible assets of £37,003 (2019: £374,350), with proceeds from disposals of the same of £284,784 (2019: £nil) and with financing activities generating net proceeds of £1,756,528 (2019: £2,116,174).

Dividends

No dividend is recommended (2019: £nil) due to the early stage of the development of the Group.

Capital management

The Board's objective is to maintain a balance sheet that is both efficient and delivers long term shareholder value. The Group had cash balances of £465,671 at 31 December 2020. On 17 April 2020 the Company signed a Sales and Purchase Agreement with Abingdon Health to transfer to them the leases on the same machinery. The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Events after the reporting period

Events after the reporting period are described in Note 27 to the financial statements.

Effects of Covid-19 pandemic

The Group experienced short-term reductions in revenues in the early part of 2020 as a result of the Covid-19 pandemic, however, the launch on 5th December 2020 of the COVID-19 PCR nasal swab test kit generated significant revenue in the month of £26,146. Cost control throughout the year was a significant focus and had large impact on the financial position of the Company.

Management took decisive action to protect the welfare of employees, whilst continuing to meet the needs of customers in the UK and overseas. Production activity condensed to match visible demand, employees worked from home wherever possible and appropriate measures were taken to reduce operating costs and manage immediate cash flows. Management continued to take all steps possible in challenging circumstances and ensured that all support mechanisms available to the company from outside agencies were accessed, in order to preserve value and capability, and ameliorate the impact on the business, its workforce, customers and partners. The realignment of goals and strategy of the business mitigated the impact of the COVID-19 and presented opportunities for new revenue streams.

Further commentary on these uncertainties are set out in the section entitled 'Principal risks and uncertainties' in the Operating and Financial review.

The statement of the Directors' responsibilities under s172(1) Companies Act 2006 is separately disclosed in the Governance section.

Madeleine Kennedy
Chief Financial Officer
4 June 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Responsibility for Risk

Risk identification and management strategy continues to be a key role for the Board which has overall responsibility for the Group's risk management. It is reported at Board level, with the non-executive members taking the risk responsibility seriously.

In addition, risk is specifically considered by the Audit Committee as part of the Audit Cycle. The Audit Committee has responsibility for assessing and challenging the robustness of the internal control environment.

Risk management processes and internal control procedures are established across all levels of the Group and are managed by the Executive Directors in conjunction with dedicated expert professionals in the business.

Risk management and internal controls provide reasonable but not absolute protection against risk. Risk appetite is not static and is regularly assessed by the Board to ensure it continues to be aligned with the Group's goals and strategy.

Principal Risks and Uncertainties

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

Risk	Impact	Mitigation
Market		
Covid-19 and business interruption	The spread of COVID-19 in the UK poses a threat to the continuation of business operations if there is a widespread infection in any of our facilities or amongst the workforce	All government guidance has been monitored closely and followed immediately by advisory notices to all employees, and provision of the appropriate guidance and cleaning materials to minimise any effect. Where staff members or their close contacts have presented with symptoms they have been asked to self-isolate away from company premises and inform us quickly of any contact with other employees which may be cause for concern. A COVID-19 testing protocol is in place for laboratory staff which includes regular testing. Recent government information also provides for relief from a substantial portion of the wage costs of any staff members on sick leave, in self-isolation, or furloughed due to a diminution in their current workload as a consequence of Covid-19. Management have devised a series of mitigating actions, designed to preserve cash resources and maintain delivery of essential products to our customers and distributors.
Brexit	New regulations could add complexity and delays to operations in terms of supplies from the EU	Our regulatory department keeps up to date on all changes.

Risk	Impact	Mitigation
		Given the limited sales transactions outside of the UK the impact of Brexit is minimal in revenue terms. Guidelines are in place, and advisors available, to support transactions to and from the EU to ensure compliance with the regulations.
Technology	The Group's platform is currently unique. Rapid technological advances could see competitor products being launched.	The Group has product development plans in place for improved technology, including development of the App. Activities are undertaken to widen the product portfolio that includes additional innovative solutions for the targeted consumer groups and taking M&A opportunities. Market surveillance is in place to monitor competitive activities with remedial actions implemented as required.
Ability to sell effectively	The Group's brand is not widely known and it is imperative that there are effective marketing methods and digital exposure to support the sales function.	The Group is improving its controls to support the sales functions and has strengthened the management team and distribution channel for increased brand awareness. Dedicated, skilled resources are allocated to the sales and marketing function, in particular content and digital marketing with plans in place to expand the support and expertise as required.
eCommerce infrastructure	The Group has to build an eCommerce platform and test the systems effectiveness.	The Group has upgraded its ecommerce platform to underpin business growth and support its expanding customer base. The Group has appointed consultants to support the company integration of all digital, automated Sales & Operations Planning functions and systems.
Cyber risk / GDPR	The Group will operate systems that hold sensitive categories of confidential personal data including that of our customers.	The Group has in place a Data Protection Officer and has carried out a full GDPR audit. The Group continues to review and tighten its cyber, data protection and security policies for continuous improvement.

Operational

Dependence on key personnel	The Group is in its early stages of development when reliance on a few key people has an inherent vulnerability.	The Group carries out benchmark exercises to ensure a good remuneration and offers an environment for agile working as well as excellent personal development in an exciting segment of the industry.
Technical	Insufficient understanding of biology, science, research program, approvals and patents leading to loss of product license, patent protection, loss of medical sponsorship, distributor and consumer confidence. This can impact the delivery of strategy and objective of the Group.	The Group senior management have strong technical skills and demonstrable experience in the research and markets that the Group operates in. The Group has an Advisory Board in place and outsources key technical functions so that it is not limited by its in-house competencies. The Group is undertaking an IP review to determine the appropriate external support required.
Supply chain	Inadequate design of processes, quality control and oversight over supply chain - production, distribution and logistics which could impact the delivery of strategy and objective of the Group.	The Group utilises industrial and market expertise in this area and will outsource production and appointing distributors and third party warehouse providers as the need arises. The Group shall further mitigate development risk by engaging at the appropriate stage relevant experience and expertise of specialists and appropriate technology. Strength will be added to this discipline as the requirement arises. The Group has in place an optimized MRP system for supply chain control.
Manufacturing	The Group is making the transition from a research-based organisation to a full commercial organisation. Manufacturing set-up and learning curve could delay sales or could impact the rate of growth.	The Group has an initial production line at its site in Manchester and has appointed experienced senior management and operatives to manufacture the product and who also have experience of ISO13485 and ISO15189. Consideration will be given to outsourcing processing as demand increases.

Environmental		
Inability to access facilities	Only production and lab-based research work is required to be under-taken on premise, all other activities can be performed remotely.	All employees are equipped to work remotely with technology suitable to maintain engagement. The safety of all employees is paramount and business interruption procedures are in place to maintain wellbeing.
Financial		
Future funding requirements	The current funding is insufficient to support the expansion and scale-up and identified opportunities cannot be pursued with the existing funding.	Management will analyse major opportunities and present them as additional business cases when warranted. Future fundraising will be undertaken if the opportunity warrants such. The Group is looking at collaborative deals and at available grants to support the funding. A robust cost control environment is in place to ensure the funds are employed in their most efficient and controlled manner. A commercial plan is under execution to generate revenue into The Group.
Currency fluctuations	Currency fluctuations could increase costs and affect profitability.	Initial sales are domestic, the impact therefore is marginal. A small proportion of costs are in foreign currency and close monitoring of currency movement is undertaken. As the purchases increase in scale currency instruments will be used to protect against the increased exposure. Currency fluctuations will impact both sales and costs.
Legal		
Intellectual property litigation	Any infringement claim brought against us would impact the Company from its business.	The Group engages with IP specialists to review the freedom to operate and IP position. No reports of any infringement claim have been reported of any patents.
Inadequate registration and monitoring of patents	Delivery of strategy and objective of the Group and share price.	The Group engages with IP specialists to monitor the regulatory and political environment within the countries in which patents are held, and engages in constructive dialogue where and when appropriate, and using their expertise to assist in any resolution of issues.

Compliance with regulations	Reputational and the effect of severe penalties. Senior management could be imprisoned and/or personally fined.	Policies and processes are in place to detail the compliance as follows: - Anti-Money Laundering - Anti-Bribery and Corruption - Privacy Policy - Ethics Code - Share-dealing - Tax Evasion The on-boarding process for new employees, consultants and suppliers cover the policies relevant to the parties and a monitoring process is in place to ensure compliance.
Changes in legislation	The diagnostics market is heavily regulated. The IVD Regulation will come into force in 2022 which will increase the regulatory burden which has an impact on the regulatory work for the products prior to launch.	The Group's management has experience in the diagnostics market where regulatory requirements are strenuous. Qualified Management has been appointed to advise and collaborative relationships are maintained with the Notified Body (BSI) to remain compliant and agree forward plans.

On behalf of the Board

Madeleine Kennedy
Chief Financial Officer
4 June 2021

GOVERNANCE

BOARD OF DIRECTORS

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, an £11.5m consumer healthcare business providing a branded healthcare portfolio into UK high street and multiple grocery retailers and on-line, and via global channel sales through a network of brand and OEM distributors. During that time Penny grew the business into a highly profitable entity through the restructuring of the commercial team and a global license deal with Bayer, the securing of the license and IP of a key women's health portfolio, and the acquisition of the European manufacturing facility.

Her 12 year tenure at the BBI Group also included several years as Group Head of Marketing during which time Penny delivered a global marketing and integration strategy across the Group's various entities, through a rapid pre and post-acquisition growth phase. Prior to joining BBI, Penny began her marketing career as a PR Manager at one of Wales' leading integrated agencies, followed by honing a specialism in FMCG within the licensed confectionery category, with a focus on growth within U.K. multiple grocery retailers.

Madeleine Kennedy
Chief Financial Officer

Maddy was appointed CFO of MyHealthChecked in October 2019. She is a certified accountant (FCCA) and has over 25 years of experience as a CFO in both public and private companies, largely in life science and technology sectors, particularly in growth SME businesses. She was interim CFO for Ieso Digital Health and Psioxus Therapeutics, in both cases supporting the management team through their next stage of growth. Prior to that she was CFO for Lab21, through its restructure and refinancing and was Finance Director at Alliance Pharma plc from start-up through to the IPO on AIM.

Adam Reynolds
Non-Executive Chairman

Adam is a former stockbroker with over 35 years' experience within the UK financial services sector. In 2000, He founded Hansard Group PLC which was admitted to trading on AIM in 2000. He is currently a director of several AIM traded companies: he is a non-executive director of EKF Diagnostics Holdings PLC, a point-of-care, central laboratory, and molecular diagnostics company; Chairman of Yourgene Health PLC, a company involved in the development of prenatal screening devices, non-executive director of Sosandar Plc an on-line fashion business. He is also a director of a number of private companies. Adam joined the MyHealthChecked plc board as non-executive Chairman in February 2016.

Peter Dines – Resigned April 2021
Non-Executive Director

Peter is COO and Head of Life Science at Mercia Asset Management plc, with particular experience in commercialising and scaling medtech companies.

He was previously Managing Director of obstetric and orthopaedic medical device company Surgicraft before founding and ultimately successfully exiting spinal and orthopaedic implant supplier Surgi C Group.

Neil Mesher
Non-Executive Director

Neil has more than 25 years of global experience within the healthcare and consumer electronics industries. He is currently CEO of Philips for the UK and Ireland and is on the Board of the Association of British Healthcare Industries (ABHI), from which he led the industry's response to the NHS's "5 Year Forward View", assessing opportunities for greater integration between industry and the healthcare system. Neil is also a member of the Government's Life Science Industrial Strategy Board, representing the interests of the medical technology sector with other senior leaders from across healthcare.

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.

Since Lyn joined Yourgene Health plc in 2018 he has been instrumental in the transformation of the business. He led the group through four acquisitions including Elucigene Diagnostics and Coastal Genomics and the fundraising to underpin those deals. Under Lyn's leadership he has grown the business from £30 million to greater than £100 million market cap.

Prior to joining Yourgene, Lyn was Group CEO at British Biocell International (now BBI Group) for over 9 years Lyn has completed 7 acquisitions during his tenure at BBI Group, all of which have been successfully integrated. He founded BBI Detection and BBI Animal Health and has demonstrated a strong track record of organic and acquisitive growth. Before this role, he spent several years as the Managing Director and founder of BBI Healthcare in 2006 following the successful purchase of the GlucoGel product. He first began his business career as the European Marketing Manager at Shimano Europe BV. Lyn holds a degree in Business Studies from the University of Wales.

CORPORATE GOVERNANCE REPORT

Introduction

The Board recognises that good standards of corporate governance help the Company to achieve its strategic goals and is vital for the success of the Company. The Company adopts proper standards of corporate governance and follows the principles of best practice set out in the Quoted Company Alliance Governance Code (2018) (the 'QCA Code'), as far as is appropriate for the size and nature of the Company and the Group. These principles are disclosed on our website in the Corporate Governance section - https://myhealthcheckedplc.com/investors-dashboard/corporate-governance-board-committees.

The Board and responsibilities

The Board currently consists of an Executive Chairman, two executive Directors and three non-executive Directors. There is a clear division of responsibilities between the chairman and the executive officers and the Board considers the non-executive directors to be independent of management. The composition of the Board ensures that no single individual or group of individuals is able to dominate the decision-making process. Details of the individual Directors and their biographies are set out on page 17 to 18.

The directors evaluate the balance of skills, knowledge and experience on the Board when defining the role and capabilities required for new appointments.

The Board is responsible for management of the business, setting the strategic direction and policies. The Board meets regularly to attend to any issues which require the attention of the Board and oversees the financial position of the Company monitoring the business and affairs on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board is to act in the best interests of MyHealthChecked plc at all times. The Board will also address issues relating to internal control and the Company's approach to risk management.

The day-to-day management of the Company's business is delegated to the Chief Executive Officer and Chief Financial Officer of the Company.

During the year to 31 December 2020, the Board held 9 scheduled meetings.

Audit Committee

Adam Reynolds is the Chairman of the Audit Committee which Neil Mesher and Lyn Rees sit on. They will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of MyHealthChecked plc.

The Nomination Committee

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

The Remuneration Committee

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

Share dealing code

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

Investor relations

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

On behalf of the Board

Madeleine Kennedy
Chief Financial Officer and Company Secretary
4 June 2021

CORPORATE AND SOCIAL RESPONSIBILITY

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders.

In view of the limited number of stakeholders, the Company has not adopted a specific policy on Corporate Social Responsibility. However, it does seek to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations. The Company has adopted an Anti-Corruption and Anti-Bribery Policy and compliance with regulations like Competition Law.

Environment

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

Human Rights

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

Tax Evasion

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

Employees

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

Shareholders

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

Health and Safety

Company activities are carried out in accordance with its Health and Safety Policy which adheres to all applicable laws and are audited both internally and by an external organisation.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for MyHealthChecked plc for the year ended 31 December 2020.

Principal Activities

MyHealthChecked plc is a holding company. It is the parent company of Concepta Diagnostics Limited and The Genome Store Limited, both UK- based companies, which were acquired on 26 July 2016 and 23 November 2020 respectively.

The principal activity of the Group is to develop and commercialise a range of at-home healthcare and wellness tests.

A detailed review of the business activities of the Group is contained in the Strategic Report.

Business review and future developments

The review of the period's operations, future developments and key risks is contained in the Strategic Report. The Directors do not recommend a final ordinary dividend for the period (2019: £nil).

Directors and directors' interests

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

Penelope McCormick
Madeleine Kennedy
Adam Reynolds
Peter Dines (Resigned 6 April 2021)
David Darrock (Resigned 29 January 2020)
Neil Mesher
Lyn Rees

With regard to the appointment and replacement of Directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

Directors' interests

The Directors held the following beneficial interests in the shares, share options and warrants of MyHealthChecked plc at the date of this report:

	Ordinary shares of £0.001 each	Issued share capital %
Adam Reynolds	9,513,293	1.56
Lyn Rees	1,991,071	0.30
Penelope McCormick	1,650,000	0.24
Madeleine Kennedy	1,650,000	0.24

Directors' share options and warrants

The share options and warrants for directors who held office during the period are as follows:

	Options/ Warrants at 1 January 2020	Granted	Lapsed/ Cancelled	Options/Warrants at 31 December 2020	Date of Grant	Exercise Price	Earliest & latest date of exercise
Adam Reynolds							
Warrants	1,100,000	-	-	1,100,000	26/07/16	£0.075	26/07/16 - 26/07/21
David Darrock Options	1,000,000 500,000 703,900		333,333 333,333 703,900	666,667 166,667 -	15/02/18 29/07/19	£0.06 £0.04 £0.03	15/02/19- 15/02/28 29/01/20- 29/07/29
Penelope McCormick Options	-	10,000,000	-	10,000,000	24/04/2020	£0.008	14/11/2020 14/11/2032
Madeleine Kennedy Options	-	2,500,000	-	2,500,000	24/04/2020	£0.008	24/10/2020 24/10/2030

The remuneration of the directors in MyHealthChecked plc who held office during the year to 31 December 2020 was as follows:

	Salaries/fees	Severance cost	Pension costs	Share-based payments	31 December 2020	31 December 2019
	£	£	£	£	£	£
Matthew Walls	-	-	-	45,216	45,216	326,539
Adam Reynolds	31,250	-	-	-	31,250	18,747
Madeleine Kennedy	74,475	-	4,830	7,661	86,966	10,924
Penelope McCormick	101,000		13,000	16,368	130,368	16,667
Barbara Spurrier	-	-	-	-	-	39,038
Neil Mesher	14,634	-	-	-	14,634	15,000
Peter Dines[1]	27,083	-	-	-	27,083	16,667
David Darrock[2]	37,981	-	1,399	15,005	54,385	109,573
Lyn Rees	20,286	-	-	-	20,286	-
	306,709	-	19,229	84,250	410,188	553,155

[1]Peter Dines' director fees were paid to Mercia Investments Limited, a subsidiary of Mercia Technologies plc, a shareholder of MyHealthChecked plc.
[2]David Darrock resigned as a director on 29 January 2020

Directors' indemnities

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

Events after the reporting date

Events after the reporting period are described in Note 27 to the financial statements.

Research and Development Activities

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

The total research and development expenditure including costs for applying patents for the year ended 31 December 2020 was £487,000 (2019: £588,251) of which £nil (2019: £360,153) was capitalised and £487,000 (2019: £228,098) (excluding amortisation charge) was expensed in the income statement. This expenditure was incurred on new products development and enhancement to current products. Further details of the research and development activities are disclosed in the Strategic Report.

Financial Risk management

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

Going Concern

The Directors have carried out an evaluation of financial forecasts, sensitised to reflect a rational judgement of the level of inherent risk. The forecasts indicated a cash requirement to take the Company through its next stage of development and commercialisation of its diagnostic tests and commenced a fundraising in January 2021.

In spite of the challenging market, the fundraising concluded on 18 February 2021 with a net raise of £3.1m providing adequate financial resources to ensure that the Company could meet its obligations for a twelve month period with reasonable certainty.

Accordingly, the directors conclude that it continues to be appropriate to prepare the Annual Report and Accounts on a going concern basis, whilst acknowledging the uncertainty that now exists and has been explained in this statement and further described in the principal risks and uncertainties and in the financial statements disclosure note 2.

Substantial shareholdings

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

	As at 31-Dec-2020	As at 26-May-2021
	% of total	% of total
Share Nominees LTD*	12.10%	12.60%
Mercia Investment Plan LP*	11.50%	8.20%
Hargreaves Lansdown (Nominees) Limited	9.40%	11.00%
W B Nominees Limited	6.60%	7.10%
Barnard Nominees LTD	4.90%	5.60%
CGWL Nominees Limited	4.80%	3.40%
JIM Nominees Limited	4.50%	5.40%
Lawshare Nominees Limited	3.80%	3.30%
Aurora Nominees Limited	3.70%	3.10%
Interactive Investor Services Nominees Limited	3.60%	4.90%
Vidacos Nominees Limited	3.00%	3.70%
Mercia (General Partner) Limited AS General Partner*	0.00%	4.20%
Finance Yorkshire Limited*	2.50%	1.80%
Mercia (General Partner) Limited*	2.40%	1.70%

* *Together with Share Nominees Limited (Mercia EIS Fund), Mercia Investment Plan LP, Mercia (General Partner) Limited AS General Partner, Finance Yorkshire Limited and Mercia (General Partner) Limited the total holding for direct investment or via funds under management for Mercia Asset Management PLC amounts to 28.4%*

Statement of Disclosure to the Auditors

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

Auditor's appointment

Jeffreys Henry LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

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

Business

The Group's strategic plan was designed to have a long-term beneficial impact on the Group and our customers by delivering myLotus products as the go-to brand for trusted ovulation, conception and fertility advice and tracking, and up to date information regarding fertility for our customers. The Directors will continue to operate the business within tight budgetary control and in line with regulatory requirements.

Employees

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

Stakeholder engagement

The Group has built and maintained relationships with shareholders, advisers and suppliers. The Directors have taken steps to develop and strengthen them through dialogue and engagement. These relationships are regularly monitored at Board level.

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

Governance

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance Company law 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 International Financial Reporting Standards as adopted by the European Union (IFRSs) 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 period.

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 IFRSs as adopted by the EU 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 IFRSs as adopted by the EU, 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

Madeleine Kennedy
Chief Financial Officer and Company Secretary
4 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYHEALTHCHECKED PLC

For the year ended 31 December 2020

Independent auditor's report to the members of Myhealthchecked PLC

Opinion

We have audited the financial statements of Myhealthchecked PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

- Carrying value of investments in subsidiaries and recoverability of intercompany loans
- Carrying value of goodwill and other intangible assets.
- Use of the going concern basis

These are explained in more detail below

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries and recoverability of intercompany loans - parent company financial statements only. The Company had investments of £4,651,866 at the year ended 31 December 2020 (2019: £4,617,820). The Directors have confirmed all investments, including additions were correctly calculated and being held at cost. The amounts due from subsidiaries amounts to £4,042,880 (2019: £2,115,535). We identified a risk that the investment held within the parent company financial statements in its subsidiaries and amounts receivable, may be impaired. Management's assessment of the recoverable amount of investments in subsidiaries requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.	We have performed the following audit procedures: • Reviewed management's assessment of future operating cashflows and indicators of impairment; • Assessed the methodology used by management to estimate the future profitability of its subsidiaries and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate; •Assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with economic and industry statistics relevant to the business; • Challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at these, including the unit prices, units sold, margins and fixed costs. • Assessed the reasonability of cash outflows, included contracted spend; • Assessed the appropriateness and applicability of discount rate applied to the current business performance; • Confirmed that any adverse change in key assumptions would not materially increase the impairment loss; and • Ensured that disclosures of the key judgements and assumptions, and sensitivities of the impairment loss recognised was appropriately disclosed.

	• Reviewed market capitalisation of Myhealthchecked Plc to ensure correct value in use. Based on the audit work performed, we are satisfied with management's assertion that no impairment exists.
Carrying value of goodwill and other intangible assets - Group financial statements Intangible assets comprise of development costs, patents and both goodwill and know how, both of which were acquired on the acquisition of The Genome Store Limited. The Group has fully impaired all capitalised costs and during the year to £nil (2019: £621,673). The group has patents amounting to £69,295 (2019: £78,511). The group has goodwill of £87,378 and know how amounting to £459,887 relating to the acquisition of The Genome Store Limited during the year. The Directors have confirmed all intangibles, including additions were correctly recognised. There is a risk that the carrying value of intangibles is not appropriately considered and further impairments may be required.	Intangibles are only assessed for impairment when indicators of impairment exist. We have considered the life cycle, public perception through the share price of the Company and the fair value of intangibles held by the Company. We have performed the following audit procedures: • Obtained management's forecast for future value in use of the intangible assets; • Assessed the reliability of forecasts by agreeing to historical inputs; • Reviewed management and challenged management on their judgements of the forecasted sales and estimates useful life of the intangible assets; • Assessed the ongoing projects viability and ensured they met the criteria defined in the accounting standards for intangibles; and • Tested the clerical accuracy of management's forecast. As all the capitalised development costs relate to products that Concepta Diagnostics Limited is currently not selling or developing we agreed with management's decision to impair these to £nil. Goodwill and know how relates to the acquisition of The Genome Store in the period. We agree with management's assertion that no impairment is required in respect of these amounts. We have performed the following audit procedures:

	• Obtained management's forecast for the business acquired with The Genome Store; • Assessed the reliability of forecasts by agreeing amounts to actual results to date; and • Reviewed management and challenged management on their judgements of the forecasted sales;
Going Concern Management judgement is required in assessing whether the group is a going concern as it has historically incurred losses. The Directors have considered the cash requirements of the business for the following 12 months. As part of this process, they have taken into account existing liabilities, along with detailed operating cashflow requirements. The projections prepared include ongoing running costs of the group and committed expenditure at the date of approving the financial statements. The key assumptions that impact the conclusions are the levels of future revenue, and the ability to control the operating costs. There are, therefore, inherent risks that the forecasts may overstate future revenue due to the timing of closure of future contracts, or understate future costs, and that the group will not be able to operate within its cash resources and continue to operate as a going concern.	We have performed the following audit procedures: • Obtained management's forecasts and cash flow analysis, and their going concern assessment; • Assessed the reliability of forecasts to date by agreeing historical actuals to budgets, and challenging the current forecasts; •tested the clerical accuracy of management's forecast; •challenged management's forecast assumptions, including reviewing the forecast revenue and corroborated the assumptions; and •considered the appropriateness of the group's disclosures in relation to going concern in the financial statements. As detailed above, we note that there are inherent risks over the group's forecasts. We further note that the group has historically been loss making given the level of research and development expenditure. Based on the audit work performed we are satisfied that although there are inherent uncertainties associated with the forecast, the group appears to have sufficient funds for at least 12 months following the signing of this audit report. We are also satisfied that all necessary disclosures have been made in the consolidated financial statements.

Our application of materiality

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

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

	Group financial statements	Company financial statements
Overall materiality	£188,000 (2019: £110,000).	£35,000 (2019: £31,000).
How we determined it	Based on 5% of net loss.	Based on 10% of net loss.
Rationale for benchmark applied	We believe that net loss is a primary measure used by shareholders in assessing the performance of the Group.	We believe that net loss is a primary measure used by shareholders in assessing the performance of the Company.

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 £35,000 and £169,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £9,400 (Group audit) (2019: £5,500) and £1,750 (Company audit) (2019: £1,550) 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 3 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Myhealthchecked Plc and Concepta Diagnostics Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over goodwill and other intangible assets, as well as certain account balances and transaction classes that we regarded as material to the Group at the 2 reporting units.

We conducted sufficient appropriate audit procedures on the newly acquired subsidiary, The Genome Store Limited, for the purposes of the consolidation.

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 27, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory framework that are applicable to the Group and Company and determined that the most significant are the Companies Act 2006 and the Listing Rules.

- We understood how the Group and Company is complying with those frameworks through discussions with the Directors'.

- We assessed the susceptibility of the Group's and Company's financial statements to material misstatement including how fraud might occur by considering the key risks impacting the financial statements.

- We carried out a review of manual entries recorded in management accounting records and assessed the appropriateness of such entries.

- We have assessed that the Group's and Company's control environment is adequate for the size and operating model of such a Group.

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 auditors' 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. Out audit opinion is consistent with the additional report to the audit committee.

Use of this report

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

Sanjay Parmar
Senior Statutory Auditor
For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London EC1V 9EE
4 June 2021

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2020

	Notes	2020 £	2019 £
Revenue from contracts with customers	4	49,480	31,970
Other Cost of sales		(141,340)	(492,136)
Impairment of inventory*		(548,442)	-
Total cost of sales		(689,782)	(492,136)
Gross loss		**(640,302)**	**(460,166)**
Impairment of development costs*		(621,673)	-
Loss on disposal of tangible assets*		(179,718)	-
Other administrative expenses		(2,213,086)	(1,938,685)
Total administrative expenses		(3,014,477)	(1,938,695)
Share-based payments		(103,290)	(69,721)
Administrative expenses		(3,117,767)	(2,008,416)
Operating loss	5	**(3,758,069)**	**(2,468,582)**
Finance expenses	7	(4,558)	(26,347)
Loss before income tax		**(3,762,627)**	**(2,494,929)**
Tax credit	8	-	344,876
Loss for the period		**(3,762,627)**	**(2,150,053)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(3,762,627)**	**(2,150,053)**
Attributable to owners of the parent:		(3,762,627)	(2,150,053)
Loss per ordinary share - basic and diluted (£)	9	(0.01)	(0.01)

All activities relate to continuing operations other than designated * which relate to impairments made in the year.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Property, plant and equipment	10	55,517	259,861
Right-of-use assets	11	-	444,198
Intangible assets	12	616,560	790,533
Total non-current assets		**672,077**	**1,494,592**
Current assets			
Inventories	13	2,808	380,205
Trade and other receivables	14	194,897	122,765
Corporation tax receivable		-	178,303
Cash and cash equivalents	15	465,671	616,263
Total current assets		**663,376**	**1,297,536**
Total assets		**1,335,453**	**2,792,128**
Current liabilities			
Trade and other payables	16	383,186	271,523
Deferred tax liability	26	87,379	-
Lease liabilities	17	4,895	101,036
Loans and borrowings	18	-	-
Provisions	19	226,250	-
Total current liabilities		**701,710**	**372,559**
Non-current liabilities			
Lease liabilities	17	-	185,747
Loans and borrowings	18	104,367	-
Total non-current liabilities		**104,367**	**185,747**
Total liabilities		**806,077**	**558,306**
Net assets		**529,376**	**2,233,822**
Share capital	20	517,822	6,623,667
Deferred shares	20	6,358,720	-
Share premium account	20	12,441,832	10,739,816
Share-based payment reserve	21	916,189	812,899
Capital redemption reserve	21	1,814,674	1,814,674
Reverse acquisition reserve	21	(6,044,192)	(6,044,192)
Retained earnings	21	(15,475,669)	(11,713,042)
Total equity		**529,376**	**2,233,822**

These financial statements were approved and authorised for issue by the board of directors on 4 June 2021 and were signed on its behalf by:

Madeleine Kennedy
Chief Financial Officer

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Deferred shares	Share Premium	Share-based payment reserve	Capital redemption reserve	Reverse acquisition reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
Equity as at 31 December 2018	**4,704,917**	**-**	**10,448,263**	**743,178**	**1,814,674**	**(6,044,192)**	**(9,562,989)**	**2,103,851**
Loss for the period	-	-	-	-	-	-	(2,150,053)	(2,150,053)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(2,150,053)**	**(2,150,053)**
Issue of shares net of expenses	1,918,750	-	291,553	-	-	-	-	2,210,303
Share-based payments	-	-	-	69,721	-	-	-	69,721
Equity as at 31 December 2019	**6,623,667**	**-**	**10,739,816**	**812,899**	**1,814,674**	**(6,044,192)**	**(11,713,042)**	**2,233,822**
Loss for the period	-	-	-	-	-	-	(3,762,627)	(3,762,627)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(3,762,627)**	**(3,762,627)**
Issue of shares net of expenses (note 20)	252,875	-	1,702,016	-	-	-	-	1,954,891
Share-based payments (note 22)	-	-	-	103,290	-	-	-	103,290
Sub-division of ordinary shares to deferred shares (note 20)	(6,358,720)	6,358,720	-	-	-	-	-	-
Equity as at 31 December 2020	**517,822**	**6,358,720**	**12,441,832**	**916,189**	**1,814,674**	**(6,044,192)**	**(15,475,669)**	**529,376**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Loss before taxation	(3,762,627)	(2,494,929)
Adjustments for:		
Depreciation and amortization	157,169	267,583
Impairment losses on intangible assets	621,673	-
Finance expenses	4,558	26,347
Share-based payments	103,291	69,721
Loss on sale of asset	179,718	-
Operating loss before working capital changes	**(2,696,218)**	**(2,131,278)**
Changes in working capital		
Decrease in inventory	380,205	18,975
(Increase)/Decrease in trade and other receivables	(72,132)	42,171
Increase in trade and other payables	111,663	11,841
Decrease in lease liability	(281,888)	-
Increase in provisions	226,250	-
Cash used in operations	**(2,332,120)**	**(2,058,291)**
Tax received	178,303	218,850
Interest paid on sale & leaseback	-	(24,766)
Other interest	(1,193)	(1,581)
Net cash outflow from operating activities	**(2,155,010)**	**(1,865,788)**
Investing activities		
Purchase of property, plant and equipment	(34,226)	(14,197)
Purchase of intangible assets	(2,777)	(360,153)
Sale of asset	284,784	-
Acquisition of subsidiary in the year	109	-
Net cash flows used in investing activities	**247,890**	**(374,350)**
Financing activities		
Issue of ordinary shares (net of issue expenses)	1,655,528	2,210,303
Convertible loan note	101,000	-
Repayment of lease liability	-	(94,129)
Net cash flows from financing activities	**1,756,528**	**2,116,174**
Net change in cash and cash equivalents	**(150,592)**	**(123,964)**
Cash and cash equivalents at the beginning of the period	616,263	740,227
Cash and cash equivalents at the end of the period	**465,671**	**616,263**

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

NOTES TO THE FINANCIAL STATEMENTS

1. General information

MyHealthChecked plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is The Maltings, East Tyndall Street, Cardiff, CF24 5EA. The registered company number is 06573154.

The Group's principal activity is in the development and commercialisation of at-home healthcare and wellness tests.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at and for the period to 31 December 2020. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

2. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs), as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

Basis of consolidation

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

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Group.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2020 financial statements.

Amendment to IFRS 16, 'Leases' – Covid[1]19 related rent concessions	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IAS 1, Presentation of financial statements' on classification of liabilities	1 January 2022
A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	1 January 2022

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

Going concern

The Directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements and including the impact of COVID-19.

The Directors evaluation of financial forecasts indicated a cash requirement to take the Group through its next stage of development and commercialisation of the diagnostic tests and commenced a fundraising in January 2021. The fundraising concluded on 18 February 2021 with a net raise of £3.1m providing adequate financial resources to ensure that the Group could meet its obligations for a twelve month period with reasonable certainty.

The forecast contains certain assumptions about the performance of the business including growth in future revenue, the cost model and margins; and importantly the level of cash recovery from trading. The directors are aware of the risks and uncertainties facing the business but the assumptions used are the Directors' best estimate of the future development of the business.

After considering the forecasts and the risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign currency

The functional currency of the Company is Sterling Pound (£) and its subsidiaries are also in £. The presentation currency of the Company is £ because a significant amount of its transactions is in £.

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

Revenue recognition

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

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

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

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the two main directors and three non-executive directors.

The Board considers that the Company's activity constitutes two operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. 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 period in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plans

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

Leased assets: 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 periods presented.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Goodwill

Goodwill represents the excess of the cost of acquisition of the business over the fair value of 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.

The acquisition of The Genome Store Limited enabled the Group to offer a wider range of healthcare products in particular Genome testing.

Share-based payment

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period and the corresponding entry recorded in the share-based payment reserve. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Property, plant and equipment

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

Plant and equipment	- 25% straight line
Furniture, fittings & equipment	- 25% straight line
Factory equipment	- 50% straight line on second hand assets
Factory equipment	- 12.5% straight line on new assets
Leasehold improvement	- 20% straight line

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

Intangible assets

(i) Research and development

Expenditure on research activities as defined in IFRS is recognised in the income statement as an expense as incurred.

Expenditure on the development of the platform comprising a proprietary meter (myLotus meter), fertility hormones strips testing and a mobile phone application and any enhancements to this platform is recognised as intangible assets 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 period in which it is incurred.

Capitalised development expenditure is measured at cost less accumulated amortization and accumulated impairment costs. Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years.

Development costs that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(ii) Patent costs

The Group has looked to obtain intellectual property through patents, Company know-how, design rights and trademarks. The Group has a portfolio of patent applications which is currently being pursued.
The costs incurred in obtaining these patents have been capitalised as the Group is confident that the patent applications will be successful.

Amortisation is charged on a straight-line basis over the useful life of the related asset which management estimated to be ten years. The patent costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iii) Know How

Know how acquired as part of business combinations is capitalised at fair value at the date of acquisition. Following the initial recognition, the carrying amount of the know how is its cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged on the basis of the estimated useful life on a straight-line basis and the expense is taken to the Statement of Comprehensive Income which management estimate to be ten years.

Deferred taxation

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

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

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the 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.

In respect of work in progress, cost includes a relevant proportion of overheads according to the stage of manufacture or completion.

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

Equity comprises the following:
- Share capital: the nominal value of equity shares
- Deferred shares
- Share premium
- Share-based payment reserve
- Capital redemption reserve
- Reverse acquisition reserve and
- Retained earnings.

Equity instruments

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. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through income statement, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Loans and receivables

The Group classifies all its financial assets as trade and receivables. The classification depends on the purpose for which the financial assets were acquired.

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

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

All the Group's customers have made payment in advance before delivery of goods. Therefore, there is no impairment loss to be considered under IFRS 9, apart from a large customer in China where the Group has fully impaired the amount owed.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate. The Group's loans and payable comprise trade and other payables (excluding other taxes and social security costs and deferred income).

When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value through the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

The Group determines the classification of its financial liabilities at initial recognition and re-evaluate the designation at each financial year end.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

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

Provisions

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

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

Convertible Loan Notes

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

Summary of critical accounting estimates and judgements

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

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

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

- **Intangible assets (including capitalised development costs and know how)**

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets. Should the intangible asset be deemed irrecoverable it will be impaired in the period.

- **Accounting for acquisitions of a business and intangible assets**

In November 2020 the Group acquired The Genome Store Limited Ltd. The acquisition of The Genome Store was deemed to be the acquisition of an intangible asset in the form of know how as there were no significant trading activities. The acquisition of the Genome Store also contained provisions for earn-out payments to the vendors, based on achieving certain sales performance targets in the first year post-acquisition. These targets were based on business forecasts and were deemed sufficiently probable to be met that they are recorded as provisions.

- **Provisions**

The group has recognised a provision of £200,000 (2019: £nil) in respect of a turnover based contingent liability following the acquisition of The Genome Store and also a provision of £26,250 for future refunds on Mylo product calculated on the number of units sold and in use at the year end.

- **Share-based payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22 Share-based payments.

- **Taxation**

In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period 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. Periods after termination options are not included in the lease term if the lease is reasonably certain the option will be terminated.
The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- **Convertible Loan Note (Equity element)**

The fair value of the liability component is estimated using the prevailing market interest rate for similar debt instruments. The equity component is then determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole.

3. Financial Risk Management

Financial instruments by category

Financial assets	**2020**	**2019**
	£	**£**
Cash and cash equivalents	465,671	616,263
Trade receivables – net of provision	386	7,090
Other receivables	44,972	47,728
Accruals	104,962	-
VAT Receivable	44,577	-
Financial assets	**660,568**	**671,081**

Financial liabilities	**2020**	**2019**
	£	**£**
Trade and other payables	180,004	161,864
Accruals	154,967	74,850
Other payables	48,215	-
Trade and other payables	383,186	236,714
Loans and borrowings	104,367	-
Lease liabilities	4,895	286,783
Loans and borrowings	109,262	286,783
Provisions	226,250	-
Financial liabilities at amortised cost	**718,698**	**523,497**

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:

2020	Within 1 year	1-2 years	2-5 years
	£	£	£
Trade and other payables	383,186	-	-
Lease liabilities	4,895	-	-
Loans and borrowings	-	-	104,367
Total	388,081	-	104,367

2019	Within 1 year	1-2 years	2-5 years
	£	£	£
Trade and other payables	236,714	-	-
Loans and borrowings	118,895	113,145	86,825
Total	355,609	113,145	86,825

Market risk - interest rate risk

The Group's exposure to cash flow interest rate risk is minimal. The finance lease associated with the sale and leaseback are fixed monthly lease payment and is not subject to change over the period of the lease.

The amounts outstanding at the end of 2020 and the interest rate and repayment profiles for the loans and borrowings are disclosed in the note 17 Lease liabilities.

Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern; and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Company through to profitability and positive cash flow.

All working capital requirements are financed from existing cash resources.

4. Segment information

The Group has two operating segments which are involved in the provision of diagnostic healthcare products.

	2020 £	2019 £
Revenue from contracts with customers		
MYLO/myLotus products	22,994	31,970
COVID-19 tests	26,486	-
Finance expenses - segment	(4,558)	(21,062)
Segment loss after tax		
MYLO/myLotus products	(3,356,092)	(1,674,433)
COVID-19 tests	(24,839)	
Total	(3,380,931)	(1,674,433)
Corporate loss after tax	(381,696)	(475,620)
Group loss after tax	(3,762,627)	(2,150,053)

All the segment assets are located in UK.

	2020 £	2019 £
Segment assets		
MYLO/myLotus products	399,444	2,233,139
COVID-19 tests	480,000	-
Total	879,444	2,233,139
Corporate assets	456,009	558,989
Total assets	1,335,453	2,792,128
Segment liabilities		
MYLO/myLotus products	372,589	476,350
COVID-19 tests	200,000	-
Total	572,569	476,350
Corporate liabilities	233,488	81,956
Total liabilities	806,077	558,306
Segment depreciation and amortisation expenses (including right-of-use)	157,168	267,583
Segment purchase of tangible, right-of-use and intangible assets	34,226	463,791

5. Loss from operations

	2020	2019
	£	£
Loss is stated after charging:		
Auditor remuneration – audit fees	19,500	18,500
Other services:		
Audit fees – subsidiary	9,500	9,000
Non-audit fees – all assurance services	1,400	1,400
Depreciation of property, plant and equipment	39,227	94,799
Depreciation of right-of-use assets	15,600	93,969
Amortisation and impairment of intangible assets	724,015	78,815
Research and development costs[1]	487,000	228,098
Legal and professional fees	118,436	6,820
Staff costs excluding R&D staff (note 6)	576,006	855,686
Operating lease rentals	50,500	63,604
Foreign exchange losses	4,406	5,771
Fund raising expenses	-	49,350
Separately disclosed items within administration expenses		
Share-based payments[2]	103,291	69,721

[1] Including R&D staff costs, net of capitalised development costs of £nil (2019: £327,479).

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

6. Employees and directors

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

	2020 Number	2019 Number
Directors (including non-executive directors)	3	4
Manufacturing	1	3
Marketing	-	3
Administrative	3	2
	7	12
Research and development	3	4
Total	10	16

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

	2020 £	2019 £
Salaries and wages (including directors)	614,484	782,356
Social security costs	49,033	74,065
Pension costs	29,896	25,036
Severance costs	-	76,154
Share-based payments (relating to employees)	103,291	69,721
Staff costs including R&D staff	**796,704**	**1,027,332**

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

Salaries and wages	(126,141)	(145,612)
Social security costs	(13,294)	(15,092)
Pension costs	(5,526)	(5,796)
Share-based payments	-	(5,146)
R&D staff costs	**(144,961)**	**(171,646)**

Salaries and wages (including directors)	488,343	636,744
Social security costs	35,739	58,973
Pension costs	24,370	19,240
Severance cost	-	76,154
Share-based payments (relating to employees)	103,291	64,575
Staff costs excluding R&D staff	**651,743**	**855,686**

Key management personnel compensation
The compensation of key management personnel, principally directors of MyHealthChecked plc for the period were as follows:

	2020 £	2019 £
Salaries/fees	275,013	367,529
Pension costs	17,831	9,250
Social security costs	17,802	31,726
Severance cost	-	60,000
	310,646	**468,505**
Share-based payments	69,245	113,727
	379,891	**582,232**

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

	2020 £	2019 £
Highest paid Director*	101,000	326,539

*including severance costs of £60,000 in 2019

7. Finance expenses

	2020 £	2019 £
Finance expenses		
Interest paid on lease liabilities	-	24,766
Other interests	4,558	1,581
Total finance expenses	**4,558**	**26,347**

8. Tax credit

	2020 £	2019 £
The tax credit is as follows:		
Current tax		
R&D tax credit for prior period	-	166,573
R&D tax credit for current year	-	178,303
Total current tax	-	344,876
Total tax credit	**-**	**344,876**

The current corporation tax credit for year ended 31 December 2019 relates to a tax receivable in respect of UK research and development activity.

Factors affecting the tax credit

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:

	2020 £	2019 £
Loss on ordinary activities before income tax	(3,762,627)	(2,494,929)
Standard rate of corporation tax	19.00%	19.00%
Loss before tax multiplied by the standard rate of corporation tax	714,899	474,037
Effects of:		
R&D tax credit for prior year	-	166,573
Non-deductible expenses	(19,626)	(13,247)
Deferred tax not recognised	(695,273)	(525,782)
Additional deduction for R&D expenditure	-	132,056
Effect of different rate for R&D tax credit	-	111,239
Tax credit	-	344,876

Changes in tax rates

UK small company's corporation tax rate has been maintained at 19% for the two periods. Accordingly, the deferred tax liability has been calculated based on the rate of 19% at the balance sheet date. Future enacted tax rates of 19% from 1 April 2021.

The Group has not recognised deferred tax assets arising from the accumulated tax losses and timing differences of £11,053,958 (2019: £8,177,945) due to uncertainty of their future recovery.

9. Earnings per share

	2020	2019
Basic and diluted		
Loss for the period and earnings used in basic & diluted EPS (£)	(3,762,627)	(2,150,053)
Weighted average number of shares used in basic and diluted EPS	420,756,606	240,780,008
Loss per share (£)	(0.01)	(0.01)

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

Due to the loss in the periods the effect of the share options was considered anti-dilutive and hence no diluted loss per share information has been provided.

10. Property, plant and equipment

	Plant & equipment	Factory leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 31 December 2018	**1,047,260**	**117,863**	**113,795**	**1,278,918**
Additions	9,722	-	4,475	14,197
Reclassification of asset	47,755	-	(47,755)	-
Reclassified to Right-of-Use assets [1]	(499,215)	-	-	(499,215)
At 31 December 2019	**605,522**	**117,863**	**70,515**	**793,900**
Additions	51,384	-	147	51,531
Disposals	(602,689)	(117,863)	(59,421)	(779,974)
At 31 December 2020	**54,217**	**-**	**11,241**	**65,457**
Depreciation				
At 31 December 2018	**408,035**	**36,167**	**45,527**	**489,729**
Charge for the period	69,482	13,467	11,850	94,799
Reclassification of asset	10,665	-	(10,665)	-
Reclassified to Right-of-Use assets [1]	**(50,489)**	**-**	**-**	**(50,489)**
At 31 December 2019	**437,693**	**49,634**	**46,712**	**534,039**
Charge for the year	29,145	3,367	6,715	39,227
Disposals	(464,741)	(53,001)	(45,584)	(563,326)
At 31 December 2020	**2,097**	**-**	**7,843**	**9,940**
Net book value				
At 31 December 2019	167,829	68,229	23,803	259,861
At 31 December 2020	**52,119**	**-**	**3,398**	**55,517**

[1]Assets held under sale and leaseback were reclassified from Property, plant and equipment to Right-of-use assets under the new accounting policy for leases as at 1 January 2019.

11. Right-of-use assets

	Equipment	Factory premises	Total
	£	**£**	**£**
Cost			
At 31 December 2019	**499,215**	**89,441**	**588,656**
Additions	-	-	-
Disposals	(499,215)	(89,441)	(588,656)
At 31 December 2020	**-**	**-**	**-**
Depreciation			
At 31 December 2019	**112,891**	**31,567**	**144,458**
Charge for the period	15,600	-	15,600
Disposals	(128,491)	(31,567)	(160,058)
At 31 December 2020	**-**	**-**	**-**
Net book value			
At 31 December 2019	386,324	57,874	444,198
At 31 December 2020	**-**	**-**	**-**

The maturity analysis of lease liabilities is presented in note 23

Amounts recognised in profit or loss

	2020	2019
	£	**£**
Depreciation expense on right-of-use assets	15,600	93,969
Interest expense on lease liabilities	14,221	24,766
Expense relating to short-term leases	67,669	63,604
Expense relating to leases of low value assets	-	1,522

12. Intangible assets

	Patents	Know-how	Goodwill	Development costs	Software and website development	Total
	£	£	£	£	£	£
Cost						
At 31 December 2018	**89,505**	**-**	**-**	**554,277**	**-**	**643,782**
Additions	15,945	-	-	327,479	16,729	360,153
At 31 December 2019	**105,450**	**-**	**-**	**881,756**	**16,729**	**1,003,935**
Additions	2,777	459,887	87,378	-	-	550,042
At 31 December 2020	**108,227**	**459,887**	**87,378**	**881,756**	**16,729**	**1,553,977**
Amortisation						
At 31 December 2018	**15,692**	**-**	**-**	**118,895**	**-**	**134,587**
Charge for the year	11,247	-	-	67,568	-	78,815
At 31 December 2019	**26,939**	**-**	**-**	**186,463**	**-**	**213,402**
Charge for the year	11,993	-	-	84,772	5,576	102,341
Impairment	-	-	-	610,521	11,153	621,674
At 31 December 2020	**38,932**	**-**	**-**	**881,756**	**16,729**	**937,417**
Net book value						
At 31 December 2019	78,511	-	-	695,293	16,729	790,533
At 31 December 2020	**69,295**	**459,887**	**87,378**	**-**	**-**	**616,560**

13. Inventories

	2020	2019
	£	£
Raw materials	2,808	307,945
Work in progress	-	18,452
Finished goods	-	53,808
	2,808	**380,205**

The cost of inventories recognised as an expense and included in research and development costs in the year amounted to £nil (2019: £120,178).

14. Trade and other receivables

	2020	2019
	£	£
Trade receivables – net	386	7,090
Prepayments	104,962	39,237
Other receivables	44,972	47,728
VAT receivable	44,577	28,710
	194,897	**122,765**

15. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	465,671	616,263

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

16. Trade and other payables

	2020	2019
	£	£
Trade payables	174,948	160,274
Accruals and deferred income	154,967	74,850
Social security & other taxes payables	14,518	34,809
Other payables	38,753	1,590
	383,186	**271,523**

17. Lease Liabilities

	2020	2019
	£	£
Current		
Lease liabilities	4,895	101,036
Non-current		
Lease liabilities	-	185,747
	4,895	**286,783**

The lease liabilities for the plant equipment are secured by a fixed charge over all the assets of Concepta Diagnostics Limited.
The maturity of these lease liabilities is disclosed in note 23.

18. Loans and borrowings

This includes a convertible loan instrument executed on 7 April 2020 and issued to Mercia GP in the sum of £101,000 plus interest of £3,367 (2019: £nil) on 24 April 2020. The redemption date was 7 April 2023

19. Provisions

The group has recognised a total provision of £226,250 (2019: £nil) in respect of a turnover based contingent liability of £200,000 following the acquisition of The Genome Store Limited and £26,250 for future refunds on Mylo product.

20. Share capital

	Authorised Ordinary shares of £0.001 each		Deferred shares of £0.024 each		Share premium	Total consideration
	Number	Nominal value £	Number	Nominal value £	£	£
At 31 Dec 2018	**188,196,675**	**4,704,917**	**-**	**-**	**10,448,263**	**15,153,180**
Shares issued (net expenses)	76,750,000	1,918,750	-	-	291,553	2,210,303
At 31 Dec 2019	**264,946,675**	**6,623,667**	**-**	**-**	**10,739,816**	**17,363,483**
Shares issued (net expenses)[1]	224,875,000	224,875	-	-	1,450,016	1,674,891
New ordinary shares at £0.001 each[2]	264,946,675	264,947	-	-	-	264,947
New deferred shares at £0.024 each[2]	(264,946,675)	(6,623,667)	264,946,675	6,358,720	-	(264,947)
Shares issued[3]	28,000,000	28,000	-	-	252,000	280,000
At 31 Dec 2020	**517,821,675**	**517,822**	**264,946,675**	**6,358,720**	**12,441,832**	**19,318,374**

[1]On 27 April 2020 224,875,000 ordinary shares were at issued at £0.001 each for a total consideration of £1.8 million before expenses of £116,389.

[2]On 27 April 2020, each of the existing ordinary shares of £0.025 each was sub-dividend into one new ordinary share of £0.001 and one deferred share of £0.024.

The deferred shares will not entitle their holders to receive notice of or to attend or vote at any general meeting of the company, or to receive any dividend or other distribution.

[3]On 23 November 2020 28,000,000 shares were issued at £0.001 each for a total consideration of £280,000 for the acquisition of The Genome Store

21. Reserves

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

Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based payment reserve	Cumulative fair value of share options granted and recognised as an expense in the Income Statement.

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 (example dividends) not recognised elsewhere.

22. Share-based payments

The Company operates two option schemes, namely an unapproved option scheme and an Enterprise Management Incentive (EMI) scheme. The EMI scheme is for employees and directors and the unapproved option scheme is for consultants involved in the healthcare operation.

Share and warrant based payment charged to the Group's profit or loss for the period were as follows:

	2020	2019
	£	£
Options issued to employees and directors of parent	69,245	40,821
Options issued to employees and services received of subsidiary	34,046	28,900
Total share-based payments	**103,290**	**69,721**

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 period:

Share options

	2020		2019	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	15,223,437	0.052	14,138,834	0.052
Granted during the year	13,000,000	0.014	3,084,004	0.033
Lapsed during the year	(2,292,352)	(0.137)	(1,999,401)	(0.067)
At 31 December	25,294,085	0.029	15,223,437	0.052

The EMI options vests provided the employees remain in the service of the Company or subsidiary for a period of 3 years from the grant date or vest equally over 3 years from grant date. The unapproved options vested either on the date of grant or time vest over 2 years from date of employment. The fair value of the new share options was estimated using the Black Scholes model.

There were no options exercised during the period.

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

	MyHealthChecked plc options scheme 2020	MyHealthChecked plc options scheme 2019
EMI scheme		
Number of options	17,229,002	4,229,003
Exercise price range (£)	0.03 – 0.166	0.03-0.166
Exercise period	April 2017 – July 2029	April 2017 – February 2028
Unapproved scheme		
Number of options	12,198,334	10,994,434
Exercise price range (£)	0.04-0.075	0.04-0.075

Exercise period	November 2021- June 2028	July 2016 – June 2028

The weighted average remaining contractual life for the EMI and non-approved share options outstanding at 31 December 2020 was 7.2 years (2019: 4.9 years).

The fair value of equity settled share options granted under the Company's share option schemes 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:

	options scheme	**options scheme**
	2020	**2019**
	EMI	EMI/Unapproved schemes
Weighted average fair value at grant date (£)	0.001	0.021
Weighted average share price (£)	0.014	0.033
Exercise price (£)	0.008-0.04	0.03-0.04
Expected volatility	100%	100%
Expected options life (years)	7.2	9.6
Expected dividends	0%	0%
Risk-free interest rate	0.40%	0.40%

Warrants

	2020		**2019**	
	Number	WAEP (£)	Number	WAEP (£)
At 1 January	9,182,267	0.074	9,232,267	0.090
Granted	-	-	-	-
Lapsed	(1,381,967)	(0.010)	(50,000)	(0.010)
At 31 December	7,800,300	0.075	9,182,267	0.074

No warrants were granted during the year.

At 31 December 2020, the following warrants were outstanding in respect of £0.025 ordinary shares and all are exercisable by expiry date:

Grant date	**Number**	**Exercise price**	**Expiry date**
26/07/2016	7,800,300	0.075	26/07/2021
16/11/2017	-	0.070	16/11/2020
	7,800,300		

On 24 April 2020 the above outstanding warrants are in respect of £0.001 ordinary shares, following the subdivision of the £0.025 into one ordinary share of £0.001 and one deferred share of £0.024p.

23. Lease commitments

Short term leases

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

	2020			2019		
	Plant and equipment	**Land and building**	**Total**	**Plant and equipment**	**Land and building**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Within one year	714	2,232	2,946	779	62,903	63,682
Between one and two years	-	-	-	714	-	714
Between two and five years	-	-	-	-	-	-
After more than five years	-	-	-	-	-	-
Total	**714**	**2,232**	**2,946**	**1,493**	**62,903**	**64,396**

The main reason for the change from prior year is due to IFRS 16 Leases adjustment where a lease was shown as a right of use asset.

Lease liabilities

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

	2020			2019		
	Minimum lease payment	**Interest**	**Present value**	**Minimum lease payment**	**Interest**	**Present value**
	£	**£**	**£**	**£**	**£**	**£**
Within one year	4,895	-	4,895	118,895	17,859	101,036
Between one and two years	-	-	-	113,145	10,438	102,707
Between two and five years	-	-	-	86,825	3,784	83,041
Total	**4,895**	**-**	**4,895**	**318,865**	**32,081**	**286,784**

24. Commitments

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

25. Related Party Transactions

During the period the Company entered into the following transactions with related parties:

Related party	Transaction	Note	2020 £	2019 £
Reyco Limited	Non-executive director fees and expenses	1	30,881	33,328
CFPro Limited	Accounting fees	2	37,665	131,342
Cambridge Financial Partners LLP	Subsistence expenses	2	-	2,083
Mercia Investments	Non-executive director fees	3	39,700	16,667
Matthew Walls	Executive director fees	4	-	81,848
LJ Consultancy	Non-executive director fees	5	20,286	-

Amount outstanding at year end (included in Trade and other payables)		
Reyco Limited	-	691
CFPro Limited	60	-
Cambridge Financial Partners LLP	-	-
Mercia Investments	7,500	-
LJ Consultancy	1,571	-

1. Mr Adam Reynolds, a non-executive director of MyHealthChecked plc has an interest in Reyco Limited.
2. Service fees were paid to CFPro Limited and Cambridge Financial Partners LLP for accounting and consultancy support, companies in which Barbara Spurrier has an interest. Barbara Spurrier was a director of MyHealthChecked plc.
3. Mr Peter Dines, non-executive director fees were paid to Mercia Investments Limited, a subsidiary of Mercia Technologies plc, a shareholder of MyHealthChecked plc.
4. Mr Matthew Walls, an executive director of MyHealthChecked plc. The fees paid were for his director and consultancy services.
5. Mr Lyn Rees, a non-executive director of MyHealthChecked plc is a Director of and has an interest in LJ Consultancy.

26. Acquisition of The Genome Store

The Group acquired 100% of the equity interests in The Genome Store Limited on 23rd November 2020 for a total consideration of £480,000. The UK-registered company has developed a number of genomic tests and enable the Group to offer a wider range of healthcare products.
A summary of the net assets acquired, and the consideration paid is shown below:

	As at acquisition £
Loss for the year to the date of the acquisition and to end of period	(£1,954)
Reserves at acquisition	£17,846

	Book value	Fair value adjustment	Fair Value
Assets acquired	£	£	£
Property, plant & equipment	17,305	-	17,305
Inventories	2,808	-	2,808
Know How	-	459,887	459,887
Deferred tax liability	-	87,379	87,379
	20,113	547,266	567,379

Satisfied by	
Issue of shares	280,000
Contingent liability	200,000
Goodwill	87,379
	567,379

The Know How arising on acquisition represents the perceived inherent value to the Group of, for example, the additional skilled colleague in The Genome Store business, the higher grade facilities made available to the Group as a result of the acquisition, the future value of products in development and the opportunity to offer a genomic testing service to its customers.
The goodwill represents the fact that the acquisition has enabled the Group to offer a wider range of healthcare products in particular Genome testing.
The acquisition consideration was satisfied by the issue of new shares as non-cash consideration. The non-cash consideration comprised 28,000,000 new ordinary shares valued at a contractual share price of 0.1 pence per new ordinary share issued which reflected the closing share price on the day prior to completion of the acquisition and contingent consideration of £200,000 recognised by the Group as a provision.

27. Events after the reporting date

On 19 February 2021, the Company raised £3,505,109 (before expenses) through a placing of 13,138,647 at 0.8p and subscription of 194,285,714 new Ordinary Shares at 1.75p per ordinary share.

The primary use of the net proceeds will be to invest in developing and extending the MyHealthChecked PLC portfolio through new product development. Additionally, there is a requirement to strengthen and develop the marketing effort, appointing core marketing personnel, and continuing to refine the direct-to-consumer activities, through retail launch and targeting strategic commercial contracts to exploit the MyHealthChecked PLC portfolio.

The Company intends to develop a smartphone “app” to enable further data capture and improve engagement whilst providing information to service the market. Similarly, the net proceeds will provide additional working capital to enable the Company to continue to develop and improve its internal systems, controls and compliance.
On 6th April the Company entered into an agreement with Boots UK Limited to launch the MyHealthChecked™ COVID-19 at-home nasal swab kit and PCR laboratory testing service via www.boots.com and across Boots stores in Great Britain.

The MyHealthChecked™ COVID-19 testing kit allows customers to take a nasal swab themselves at home and send samples safely and securely via the Royal Mail Tracked 24 service to be tested using established laboratory-based PCR detection methods. Testing is undertaken at the Manchester-based laboratories of MyHealthChecked and Yourgene Health plc and results are provided within 24-48 hours, via an online portal.

The Agreement has an initial term of 12 months from 6 April 2021, with a one-month notice period for termination thereafter. Boots will act as non-exclusive agent for MyHealthChecked for sales of the testing kit and will receive a commission on all sales made under the Agreement through Boots' sales channels.

To this end, the Company entered into an agreement with Yourgene plc to act as the Company's exclusive external provider of testing services.

28. Ultimate controlling party

There is no ultimate controlling party of the Company.

COMPANY STATEMENT OF FINANCIAL POSITION

As At 31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Investments in subsidiaries	4	4,651,865	4,617,820
Net amounts due from subsidiaries	6	4,042,880	2,115,535
Total non-current assets		**8,694,745**	**6,733,355**
Current assets			
Trade and other receivables	5	31,200	4,972
Cash and cash equivalents	7	424,810	567,465
Total current assets		**456,010**	**572,437**
Total assets		**9,150,755**	**7,305,792**
Current liabilities			
Trade and other payables	8	129,121	95,402
Total current liabilities		**129,121**	**95,402**
Non-current liabilities			
Loans and borrowings	**8**	104,367	-
Total non-current liabilities		**104,367**	**-**
Total liabilities		**233,488**	**95,402**
Net assets		**8,917,267**	**7,210,390**
Share capital	9	517,822	6,623,667
Deferred shares	9	6,358,720	-
Share premium	9	12,441,832	10,739,816
Capital redemption reserve		1,814,674	1,814,674
Share-based payment reserve	10	887,143	783,852
Retained losses		(13,102,924)	(12,751,619)
Total equity		**8,917,267**	**7,210,390**

The loss for the parent company for the year is £351,305 (2019: £5,180,485).

These financial statements were approved and authorised for issue by the Board of directors on 4 June 2021 and were signed on its behalf by:

Madeleine Kennedy
Chief Financial Officer
4 June 2021
Company Registration Number: 06573154

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

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Deferred shares	Share premium	Capital redemption reserve	Share- based Payment Reserve	Retained losses	Total
	£	£	£	£	£	£	£
Equity as at 31 December 2018	**4,704,917**	**-**	**10,448,263**	**1,814,674**	**714,131**	**(7,571,134)**	**10,110,851**
Loss for the year	-	-	-	-	-	(5,180,485)	(5,180,485)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(5,180,485)**	**(5,180,485)**
Issue of shares (net of expenses)	1,918,750	-	291,553	-	-	-	2,210,303
Share-based payments	-	-	-	-	69,721	-	69,721
Equity as at 31 December 2019	**6,623,667**	**-**	**10,739,816**	**1,814,674**	**783,852**	**(12,751,619)**	**7,210,390**
Loss for the year						(351,305)	(351,305)
Total comprehensive loss						**(351,305)**	**(351,305)**
Issue of shares (net of expenses)	252,875	-	1,702,016	-	-	-	1,954,891
Share-based payments	-	-	-	-	103,291	-	103,291
New ordinary shares	264,947	-	-	-	-	-	264,947
Sub-division of ordinary shares to deferred shares	(6,623,667)	6,358,720	-	-	-	-	(264,947)
Equity as at 31 December 2020	**517,822**	**6,358,720**	**12,441,832**	**1,814,674**	**887,143**	**(13,102,924)**	**8,917,267**

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

1. Accounting policies

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

Basis of preparation

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

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

- The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73 of IAS 16 Property, Plant and Equipment;
  - paragraph 118 of IAS 38 Intangible Assets;
- The requirements of paragraphs 10(d) and 111 (statement of cash flows), 134 to 136 (managing capital), and 16 (statement of compliance with IFRS) of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows and related notes.
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share Based Payments, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The effects of future accounting standards not adopted.

Investments in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. The value of the investment was impaired in 2019 – see note 4 Investments in subsidiary undertakings for more details.

Share-based payments

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

Taxation

The accounting policy for taxation is disclosed in note 2 to 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 impairment. This is detailed in the accounting policy Investment in subsidiaries above.

3. The net amounts due from subsidiaries were measured at amortised cost using the effective interest method. Management estimated the effective interest rate used for the amortised cost calculation and the repayment period was based on management judgement.

4. The impairment of net amounts due from subsidiaries was based upon future cash flow forecasts and these forecasts would be based upon management judgement.

2. Company income statement

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own income statement. The Company's loss for the year was £351,305 (2019: £5,180,485) and is included within the consolidated statement of comprehensive income.

3. Staff costs

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

	2020	2019
	£	£
Salaries (including directors)	275,014	349,211
Pension costs	17,831	8,425
Social security costs	17,802	22,059
Share-based payments	69,245	40,821
Total staff costs	**376,237**	**420,516**

4. Investments in subsidiary undertakings

	Investment in Subsidiary £
At 31 December 2019	**6,434,584**
Movement to share-based payment provision	34,045
At 31 December 2020	**6,468,629**
IMPAIRMENT	
At 31 December 2019	**1,816,764**
Impairment of investment in subsidiary	-
At 31 December 2020	**1,816,764**
Net book value	
At 31 December 2019	4,617,820
At 31 December 2020	**4,651,865**

The principal undertaking in which the company's interest at the year-end is as follows:

Name	Country of incorporation	Proportion of ownership interest at 31 December 2020	Nature of business
Concepta Diagnostics Limited	United Kingdom	100.0%	Healthcare business
Concepta Diagnostics Ireland Limited	Ireland	100.0%	Dormant
The Genome Store Limited[1]	United Kingdom	100.0%	Healthcare business

[1] Concepta Diagnostics Limited owns the shares of The Genome Store Limited

5. Trade and other receivables

	2020	2019
	£	£
Prepayments	22,541	4,704
VAT receivable	8,659	268
	31,200	**4,972**

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

6. Net amounts due from subsidiaries

At initial recognition, the fair value of the interest-free carrying amounts owed by group undertakings ("the loan") at 31 December 2020 was measured at the present value of all future cash receipts discounted using the prevailing market interest rate of 2.19 % (2019: 2.19%) and management considered the loan to be repaid by end of five years. The difference between the initial carrying amount and the fair value was capitalised and included in 'investments in subsidiary undertakings'. After initial recognition, the loan was measured at amortised cost using the effective interest method. The corresponding entry of the deemed interest income of £152,793 (2019: £108,300) for the year included in the fair value was credited to profit or loss. At 31 December 2020, the amount owed from Concepta Diagnostics Limited is £8,913,879 (2019: £6,986,535) gross, after impairments the amount owed from Concepta Diagnostics Limited is £4,042,880 (2019: £2,115,535).

7. Cash and cash equivalent

	2020	2019
	£	£
Cash at bank and in hand	424,810	567,465

8. Trade and other payables

	2020	2019
	£	£
Trade payables	29,848	47,688
Accruals and deferred income	61,157	26,033
Social security & other taxes payable	5,848	20,990

Other payables	32,268	691
	129,121	95,402
Long term liability – Convertible Loan Note	104,367	-
	233,488	**95,402**

9. Share capital, deferred shares and share premium

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

10. Share-based payments

For details of share-based payments see note 22 of the consolidated financial statements.

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with Concepta Diagnostics Limited that is wholly owned subsidiary of MyHealthChecked plc.
There are no other related party transactions other than those relating to Directors that have been disclosed in note 25 to the consolidated statements.

12. Commitments

The Company has no lease or capital commitments at the end of the reporting period.

13. Contingent liabilities

The Company has no contingent liabilities.

14. Ultimate controlling party

The Company does not have an ultimate controlling party.

15. Events after the reporting date

For details of events after the reporting date see note 27 of the consolidated financial statements.

OFFICERS AND ADVISORS

Directors:	Penelope McCormick (Chief Executive Officer) Adam Reynolds (Non-Executive Chairman) Madeleine Kennedy (Chief Financial Officer) Neil Mesher (Non-Executive Director) Lyn Rees (Non-Executive Director)
Company secretary and registered office:	Madeleine Kennedy The Maltings East Tyndall Street Cardiff CF24 5EA
Nominated advisor:	Spark Advisory Partners Ltd 5, St John's Lane Farringdon London EC1M 4BH
Broker:	Oberon Investments Limited Nightingale House 65 Curzon Street London W1J 8PE
Bankers:	HSBC Harry Weston Road Binley Coventry CV3 2SH
Auditors:	Jeffreys Henry LLP 5-7 Cranwood Street Finsgate London EC1V 9EE
Solicitors:	BPE Solicitors LLP St. James House St. James Square Cheltenham GL50 3PR
Registrars:	Neville Registrars Steelpark Road, Halesowen B62 8HD
Company Number:	06573154
Website:	www.myhealthcheckedplc.com