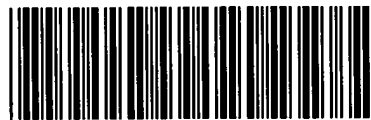


ACCURX LIMITED

AUDITED ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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ACCURX LIMITED

COMPANY INFORMATION

Directors

J N Haddad
I E Haivas
M P Clifford
O Heimes
S G Jones (appointed 8 March 2024)
L J Bargery (resigned 9 October 2023)

Registered number

10184077

Registered office

7 Curtain Road
London
EC2A 3LT

Independent auditor

Cooper Parry Group Limited
Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

ACCURX LIMITED

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ACCURX LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2024

Introduction

The directors present the strategic report for the year ended 30 June 2024.

Business review

Accurx Limited ('Accurx') continued to expand the licence of its communication platform for the healthcare industry. During the reported period, the service was provided in the United Kingdom.

Accurx generated revenue of £37.4m (2023: revenue of £32.7m) resulting in a loss before tax of £9.0m in 2024 (2023: £3.5m).

Principal risks and uncertainties

The company faces operational and market risks in the normal course of business.

We have operational risk as a company services the National Health Service and processes personal information the business focuses on the mitigation of a high-impact security risk that could lead to the exfiltration of data processed by Accurx.

We have market risk due to reliance on key customers, given that we are currently focused on selling to the NHS only, and in particular general practice. We aim to mitigate this risk throughout the next financial year by diversifying our product range in order to sell to a broader range of customers within the NHS.

Given the current talent market, we are also ensuring we are able to attract and retain the best talent to achieve our goals. This is particularly important in the product developer market, as a key rate limiting factor for a technology company is the speed at which we can iterate and build our software.

Key performance indicators

Annual budgets are agreed in advance with the executive team, and provide considerations to the projected revenue, cash flow and working capital. These are reviewed on a quarterly basis. Other key performance indicators include commercial metrics such as, annual recurring revenue, new business and product metrics such as, weekly active users and user retention.

ACCURX LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Non-financial indicators

We monitor and report on KPIs to ensure the health of enabling functions in the company, such as attrition and eNPS for our people and talent team, or the number of incidents for our product development team.

Across the company, all teams have quarterly objectives that we track on a fortnightly basis to ensure progress to our annual goals. These are reported on in a fortnightly meeting with the management team present.

To monitor performance across the company, we have bi-annual performance reviews, with an annual pay review. This allows us to monitor performance in line with our goals, as per above, and behaviour using our company principles on how we work.

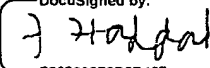
Since 2020, Accurx has delivered services under a carbon neutral programme through a combination of footprint minimisation and offsetting emissions. We partner with Furthr, a business carbon auditor and consultancy who measure, advise and analyse our performance in this area and capture our Carbon Reduction Journey in our annual carbon footprint report.

To provide transparency to our commitments and progress we publish our carbon reduction plan on the Accurx website at: <https://www accurx.com/who-we-are>. The plan that is updated annually in line with the carbon footprint report.

Accurx recognises our broader impact and commitments; in reducing our own greenhouse gas (GHG) emissions we will be directly contributing to the reduction in emissions required to enable the NHS to meet their targets. Therefore, in addition to the publishing of our Carbon Reduction Plan, Accurx completes the NHSE Evergreen sustainability maturity assessment. The assessment resulted in achievement of Level 1: Publicly committed to net zero carbon and engaged with sustainability.

In 2025 the Accurx Environmental Management Systems (EMS) will be developed to strengthen our sustainability commitments and align to the ISO14001 global standard in order to manage potential impacts across our business.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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J N Haddad
Director

Date: 27 March 2025

ACCURX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The directors present their report and the financial statements for the year ended 30 June 2024.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £9,022,609 (2023: £3,231,148).

The company paid dividends of £Nil (2023: £Nil) during the year. The directors do not propose the payment of a final dividend (2023: £Nil).

Directors

The directors who served during the year were:

J N Haddad
I E Haivas
M P Clifford
O Heimes
S G Jones (appointed 8 March 2024)
L J Bargery (resigned 9 October 2023)

Future developments

Accurx will continue to focus on developing a communication platform for primary and secondary care throughout 2025.

ACCURX LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Streamlined Energy and Carbon Reporting (SECR) statement

In accordance with the requirements of Streamlined Energy & Carbon Reporting (SECR), we are required to disclose energy and carbon information for the first time for the period covering 1 July 2023 – 30 June 2024.

As this is the first year reporting we are not required to disclose previous year comparative.

The company's greenhouse gas emissions and energy consumption are as follows:

	2023/24
Total energy consumption used to calculate emissions (kWh)	163,034.74
Emissions from combustion of gas tCO ₂ e (Scope 1)	-
Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	-
Emissions from purchased electricity tCO ₂ e (Scope 2, location-based)	33.76
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO ₂ e (Scope 3)	-
Emissions from other operations activities which the company own including operation of facilities (Scope 1)	2.99
Other Scope 3 emissions	875.50
Total gross tCO ₂ e based on the above	912.25
Intensity ratio per FTE/Revenue (tCO ₂ e gross figure / FTE)	3.32

Methodology

Methodology follows best practice and is based on HM Government Environmental Reporting Guidelines, March 2020. All emissions factor are taken from UK Government GHG conversion factors for Company reporting, 2024 factors.

Energy Efficiency Action

Accurx are committed to achieving Net Zero emissions by 2040. We currently offset our full footprint with high-quality carbon removal offsets, half with nature based solutions (reforestation) and half with durable technical carbon removal. We have projected that carbon emissions will decrease over the next four years to 778.4 tCO₂e by 2028.

Moving forwards we plan to:

- continue to procure 100% renewable electricity for our offices
- work with our suppliers, encouraging them to measure, report and reduce their own emissions
- continue to educate our team about how they can reduce their own carbon footprint both when working remotely and outside of work
- implementing a Sustainable Hardware policy
- training with whole company on best practice for working sustainably.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ACCURX LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024**

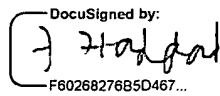
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

F60268276B5D467...

J N Haddad
Director

Date: 27 March 2025

ACCURX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCURX LIMITED

Opinion

We have audited the financial statements of Accurx Limited (the 'company') for the year ended 30 June 2024, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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 company'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ACCURX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCURX LIMITED (CONTINUED)

Opinion 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ACCURX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCURX LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

- the engagement responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations,

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;
- read the minutes of meetings of those charged with governance;
- enquired with management as to actual and potential litigation and claims; and
- reviewed correspondence with HMRC and the company's legal advisors.

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

- agreeing financial statement disclosures to underlying supporting documentation.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

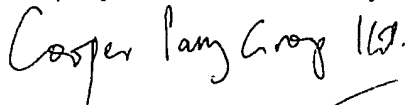
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ACCURX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCURX LIMITED (CONTINUED)

Use of our report

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



Ben Hughes (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 27 March 2025

ACCURX LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2024

		2024 £	2023 £
Turnover	3	37,370,636	32,662,480
Cost of sales		(17,833,075)	(13,012,292)
Gross profit		<u>19,537,561</u>	<u>19,650,188</u>
Administrative expenses		(29,167,417)	(23,590,521)
Operating loss	4	<u>(9,629,856)</u>	<u>(3,940,333)</u>
Interest receivable and similar income	8	607,745	403,345
Interest payable and similar expenses	9	(159)	-
Loss before tax		<u>(9,022,270)</u>	<u>(3,536,988)</u>
Tax on loss	10	(339)	305,840
Loss for the financial year		<u><u>(9,022,609)</u></u>	<u><u>(3,231,148)</u></u>
Total comprehensive income for the year		<u><u>(9,022,609)</u></u>	<u><u>(3,231,148)</u></u>

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

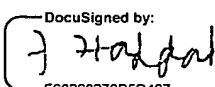
The notes on pages 15 to 31 form part of these financial statements.

ACCURX LIMITED
REGISTERED NUMBER: 10184077

BALANCE SHEET
AS AT 30 JUNE 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	11	642,802	714,224
Tangible assets	12	863,082	1,008,891
		<u>1,505,884</u>	<u>1,723,115</u>
Current assets			
Debtors: amounts falling due within one year	13	7,363,882	5,653,105
Cash at bank and in hand		25,517,290	33,684,560
		<u>32,881,172</u>	<u>39,337,665</u>
Creditors: amounts falling due within one year	14	(8,184,525)	(6,296,735)
Net current assets		<u>24,696,647</u>	<u>33,040,930</u>
Net assets		<u><u>26,202,531</u></u>	<u><u>34,764,045</u></u>
Capital and reserves			
Called up share capital	16	176	173
Share premium account	17	43,480,614	43,478,402
Share based payment reserve	17	2,011,447	1,552,567
Profit and loss account	17	(19,289,706)	(10,267,097)
		<u><u>26,202,531</u></u>	<u><u>34,764,045</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 F60268276B5D467...
J N Haddad
 Director

Date: 27 March 2025

The notes on pages 15 to 31 form part of these financial statements.

ACCURX LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2023	173	43,478,402	1,552,567	(10,267,097)	34,764,045
Loss for the year	-	-	-	(9,022,609)	(9,022,609)
Shares issued during the year	3	2,212	-	-	2,215
Share-based payment charge	-	-	458,880	-	458,880
At 30 June 2024	176	43,480,614	2,011,447	(19,289,706)	26,202,531

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2022	172	43,476,908	779,358	(7,035,949)	37,220,489
Loss for the year	-	-	-	(3,231,148)	(3,231,148)
Shares issued during the year	1	1,494	-	-	1,495
Share-based payment charge	-	-	773,209	-	773,209
At 30 June 2023	173	43,478,402	1,552,567	(10,267,097)	34,764,045

The notes on pages 15 to 31 form part of these financial statements.

ACCURX LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	£	£
Cash flows from operating activities		
Loss for the financial year	(9,022,609)	(3,231,148)
Adjustments for:		
Amortisation of intangible assets	71,422	-
Depreciation of tangible assets	573,400	529,031
Interest paid	159	-
Interest received	(607,745)	(403,345)
Taxation charge	339	(305,840)
(Increase) in debtors	(1,710,096)	(744,469)
Increase in creditors	1,887,158	1,629,315
Corporation tax (paid)/received	(681)	564,224
Share based payment charge	458,880	773,209
Net cash generated from operating activities	<u>(8,349,773)</u>	<u>(1,189,023)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(714,224)
Purchase of tangible fixed assets	(427,591)	(296,349)
Sale of tangible fixed assets	-	27,239
Interest received	607,745	403,345
Net cash from investing activities	<u>180,154</u>	<u>(579,989)</u>
Cash flows from financing activities		
Issue of ordinary shares	2,215	1,495
Interest paid	(159)	-
Net cash used in financing activities	<u>2,056</u>	<u>1,495</u>
Net (decrease) in cash and cash equivalents	<u>(8,167,563)</u>	<u>(1,767,517)</u>
Cash and cash equivalents at beginning of year	33,683,649	35,451,166
Cash and cash equivalents at the end of year	<u><u>25,516,086</u></u>	<u><u>33,683,649</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	25,517,290	33,684,560
Bank overdrafts	(1,204)	(911)
	<u><u>25,516,086</u></u>	<u><u>33,683,649</u></u>

The notes on pages 15 to 31 form part of these financial statements.

ACCURX LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2024

	At 1 July 2023 £	Cash flows £	At 30 June 2024 £
Cash at bank and in hand	33,684,560	(8,167,270)	25,517,290
Bank overdrafts	(911)	(293)	(1,204)
	<u>33,683,649</u>	<u>(8,167,563)</u>	<u>25,516,086</u>

The notes on pages 15 to 31 form part of these financial statements.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies

Accurx Limited (the 'company') is a private limited company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The principal activity of the company is to provide a communication platform for both healthcare professionals and patients.

The financial statements are prepared for the year ended 30 June 2024 (2023: year ended 30 June 2023).

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going Concern

The financial statements have been prepared on the going concern basis.

The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statement. The detailed projections demonstrate the company is forecast to remain cash positive and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

1.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP and is rounded to the nearest pound (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.4 Turnover

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

Turnover relates to consideration received for the licensing and use of our Healthcare Products (including Video Consultation, Batch Messaging, Online Consultation, SMS Plus and Florey).

Licensing fees are recognised straight line over the term of the contract to which it relates.

The remaining revenue lines are recognised on the provision of the service and vary based on actual usage of the company's platform.

1.5 Operating leases: the company as lessee

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

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

1.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.7 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

1.8 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.10 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

1.11 Taxation

Tax is recognised in the profit and loss account except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit and loss account over its useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- over 4 years
Fixtures & fittings	- over 5 years
Computer equipment	- over 3 years
Office Equipment	- over 4 years

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

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

1.14 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.14 Financial instruments (continued)

settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

ACCURX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1. Accounting policies (continued)

1.14 Financial instruments (continued)

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

In the application of the company's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not really apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Impairment of fixed assets

The directors assess the impairment of fixed assets subject to depreciation and amortisation whenever events or changes.

In circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy; and
- Significant negative industry or economic trends.

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful economic lives as set out in the group's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and the carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment is included in note 12.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors.

Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2. Judgements in applying accounting policies (continued)

Leases

The directors determine whether leases entered into by the company either as a lessor or lessee are an operating leases or a finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the group on a lease by lease basis based On an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Fair value calculations

Management believe the estimates used to establish a fair value for share based payments, using the Black Scholes pricing model. The inputs to the fair value model reflect managements best estimate.

3. Turnover

The whole of the turnover is attributable to the principle activity of the business.

All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging/ (crediting):

	2024 £	2023 £
Research & development charged as an expense	18,225	52,996
Exchange differences	4,242	(1,503)
Other operating lease rentals	754,734	359,672
Share based payment	458,880	773,209
Depreciation	573,400	529,031
Amortisation	71,422	-

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

5. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor:

	2024 £	2023 £
Fees payable to the company's auditor for the audit of the company's financial statements	34,500	32,500
Other non-audit services	1,750	-
Taxation services	4,950	4,950
Other services relating to taxation	-	17,325
	<u>34,500</u>	<u>54,775</u>

6. Employees

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

	2024 £	2023 £
Wages and salaries	19,219,859	15,237,352
Social security costs	2,249,405	1,814,539
Cost of defined contribution scheme	1,072,632	755,455
	<u>22,541,896</u>	<u>17,807,346</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Management	7	9
Sales & product	184	159
Operations	57	44
	<u>248</u>	<u>212</u>

ACCURX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

7. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	245,975	360,417
Company contributions to defined contribution pension schemes	13,287	19,143
	<u>259,262</u>	<u>379,560</u>

During the year retirement benefits were accruing to 2 directors (2023: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £194,064 (2023: £187,499).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,560 (2023: £8,978).

8. Interest receivable

	2024 £	2023 £
Bank interest receivable	<u>607,745</u>	<u>403,345</u>

9. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	<u>159</u>	<u>-</u>

10. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	-	(275,164)
Adjustments in respect of previous periods	339	(30,676)
Total current tax	<u>339</u>	<u>(305,840)</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>339</u>	<u>(305,840)</u>

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 20.5%). The differences are explained below:

	2024 £	2023 £
Loss on ordinary activities before tax	(9,022,270)	(3,536,988)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023: 20.5%)	(2,255,567)	(724,937)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	460,348	204,528
Capital allowances for year in excess of depreciation	13,060	(28,086)
Adjustments to tax charge in respect of prior periods	339	53,731
Additional deduction for R&D expenditure	-	(242,096)
Movement in deferred tax not recognised	3,528,271	346,552
Remeasurement of deferred tax for changes in tax rates	-	(74,525)
Surrender of tax losses for R&D tax credit refund	-	156,997
Other permanent differences	(1,034,528)	-
Adjustments to tax charge in respect of previous periods - deferred tax	(711,584)	-
Other differences leading to an increase/(decrease) in the tax charge	-	1,996
Total tax charge for the year	339	(305,840)

Factors that may affect future tax charges

There are no future tax changes that will affect the company.

Unrecognised deferred tax asset

At the current period ended 30 June 2024, the company has recognised a deferred tax asset of £Nil (2023: £Nil). The company has unutilised tax losses of £21,609,195 (2023: £10,761,042) against which a deferred tax asset of £5,423,169 (2023: £1,894,898) has not been recognised.

ACCURX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

11. Intangible assets

	Purchased goodwill £
Cost	
At 1 July 2023	714,224
At 30 June 2024	<u>714,224</u>
Amortisation	
Charge for the year	71,422
At 30 June 2024	<u>71,422</u>
Net book value	
At 30 June 2024	<u>642,802</u>
At 30 June 2023	<u>714,224</u>

On 9 June 2023 the company purchased the specified assets of the Induction Switch Application business from Induction Healthcare. The value of the consideration attributable to this acquisition was £750,000. £35,776 of the purchase price was attributable to accrued income with the remaining £714,224 being goodwill which relates to existing knowhow, intellectual property and customer database.

ACCURX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

12. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 July 2023	858,328	298,481	91,866	837,537	2,086,212
Additions	255,514	5,264	2,369	164,444	427,591
At 30 June 2024	<u>1,113,842</u>	<u>303,745</u>	<u>94,235</u>	<u>1,001,981</u>	<u>2,513,803</u>
Depreciation					
At 1 July 2023	491,940	86,032	49,927	449,422	1,077,321
Charge for the year	218,304	62,670	20,435	271,991	573,400
At 30 June 2024	<u>710,244</u>	<u>148,702</u>	<u>70,362</u>	<u>721,413</u>	<u>1,650,721</u>
Net book value					
At 30 June 2024	<u>403,598</u>	<u>155,043</u>	<u>23,873</u>	<u>280,568</u>	<u>863,082</u>
At 30 June 2023	<u>366,388</u>	<u>212,449</u>	<u>41,939</u>	<u>388,115</u>	<u>1,008,891</u>

13. Debtors

	2024 £	2023 £
Trade debtors	5,001,162	3,022,626
Other debtors	998,019	1,314,775
Prepayments and accrued income	1,071,550	1,023,234
Tax recoverable	293,151	292,470
	<u>7,363,882</u>	<u>5,653,105</u>

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

14. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	1,204	911
Trade creditors	3,658,345	2,167,958
Corporation tax	339	-
Other taxation and social security	1,161,030	1,125,626
Other creditors	189,147	157,676
Accruals and deferred income	3,174,460	2,844,564
	<u>8,184,525</u>	<u>6,296,735</u>

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

15. Share-based payments

Accurx Limited operates an equity-settled share based remuneration scheme for employee. Details of the options issues are shown below.

	Weighted average exercise price (pence) 2024	Number 2024	Weighted average exercise price (pence) 2023	Number 2023
Outstanding at the beginning of the year	0.01	1,486,547	0.01	1,575,812
Granted during the year	0.01	515,735	0.01	178,930
Forfeited during the year	0.01	(164,470)	0.01	(122,771)
Exercised during the year	0.01	(213,468)	0.01	(145,424)
Expired during the year		-		-
Outstanding at the end of the year	0.01	1,624,344	0.01	1,486,547

The following information is relevant in the determination of the fair value of options granted during the current year under the equity-settled share based remuneration schemes operated by Accurx Limited.

	2024	2023
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price (pence)	296	296
Exercise price (pence)	1	1
Weighted average contractual life (years)	10	10
Expected volatility	50%	50%
Risk-free interest rate	1.31%	0.65%

The Black Scholes option pricing model was used to value the share based payment awards as it was considered that this would result in a materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the historical share price figures for the past ten years of comparable companies.

The company did not enter into any share based payment transactions with parties other than employees during the current or any prior periods.

	2024 £	2023 £
Equity-settled schemes charge	458,880	773,209

ACCURX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

16. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
7,690,723 (2023: 9,443,154) Ordinary shares of £0.00001 each	77	94
1,551,048 (2023: 1,551,048) A Ordinary shares of £0.00001 each	16	16
3,888,460 (2023: 3,888,460) Series A shares of £0.00001 each	39	39
2,415,149 (2023: 2,415,149) Series B shares of £0.00001 each	24	24
1,972,758 (2023: Nil) Deferred shares of £0.00001 each	20	-
	<hr/>	<hr/>
	176	173
	<hr/>	<hr/>

All classes of shares hold the same rights for voting except for the deferred shares which hold no voting rights or dividend rights.

On distribution of dividend and assets on liquidation or a return of capital the surplus assets of the company remaining after payment of its liabilities shall be applied to the holders of each class of shares in accordance with the Articles of Association.

During the year, 1,972,758 ordinary shares were converted to 1,972,758 deferred shares at nominal value £0.00001.

Throughout the year, 213,468 Ordinary shares were exercised as part of the company's share option scheme at a price of £0.01 per share.

17. Reserves

Share premium account

This represents the difference between the par value of shares issued and the issue price.

Share based payment reserve

This represents the charge for the share options issued by the company.

Profit and loss account

The profit and loss accounts represents accumulated profits and losses for the current period and prior periods less dividends paid.

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,072,632 (2023: £755,455). Contributions totalling £177,652 (2023: £148,771) were payable to the fund at the balance sheet date and are included in creditors.

ACCURX LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024****19. Commitments under operating leases**

At 30 June 2024 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	884,035	359,672
Later than 1 year and not later than 5 years	3,056,187	-
	<u>3,940,222</u>	<u>359,672</u>

20. Controlling party

The ultimate controlling party is J Haddad.