

Registered number: 04431145

FUTURE HEALTH TECHNOLOGIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



FUTURE HEALTH TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	N Linardos G Lymberopoulos C P Bond
Company secretary	R T Dennis, resigned 7 November 2022
Registered number	04431145
Registered office	Unit 10 Faraday Building Nottingham Science & Technology Park Nottingham Nottinghamshire NG7 2QP
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

FUTURE HEALTH TECHNOLOGIES LIMITED

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FUTURE HEALTH TECHNOLOGIES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Group Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Group and Company is the extraction and storage of stem cells and sale of test kits for screening inherited disorders and conditions and the provision of other diagnostic testing services.

Business review

The Group recorded a profit before taxation of £531,508 (2020 loss of £1,775,366).

The Group demonstrated resilience through the Covid-19 pandemic and introduced new diagnostic testing opportunities alongside its core operation. The Group continues to enjoy a reputation for quality and high levels of customer service internationally.

Group turnover increased in 2021 by £3,628,260 to £17,285,904 (2020: £13,657,644) reflecting the strength of the Group's activities, together with contribution from Covid-19 testing revenue. During the year £2,902,963 (2020: £469,671) of Covid-19 testing revenue was achieved. The Group's operating profit of £763,118 (2020 loss of £1,699,366) is after accounting for the impairment of goodwill, accounting write-offs, and exceptional costs incurred during the year.

The Group's cash balances (net of foreign exchange adjustments) have increased by £485,313 over the year to £2,785,737 (2020: £2,300,424). At year end £967,293 of Covid-19 bank loans remain outstanding.

The Directors are pleased with the progress the Group has made in continuing to grow core business while introducing a new diagnostic testing revenue stream. They believe that the Group is well placed to continue with the development of new technology and systems, enabling the expansion and diversification of services offered.

Going Concern

The Directors have completed a formal going concern review including consideration of future cash flows. In the current year the Group made a profit before tax of £531,508 (2020 loss of £1,775,366) and at the year-end the Group had cash balances of £2,785,765 (2020: £2,300,424). The directors' note Group net liabilities of £5,225,737 (2020: £5,620,647) but recognise that the financial statements include a Group deferred income reserve of £10,304,396 to cover the costs and margin attributable to long term future year's storage commitments.

The Directors have prepared cash flow forecasts for the Group for the period to 31 December 2023, which show continued cash generation in the forecast period. In light of their considerations, the Directors are content that it is appropriate to prepare the Group and Company financial statements on a going concern basis.

FUTURE HEALTH TECHNOLOGIES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Group's main risks are those associated with operating within export markets, being foreign currency exposure, the impact of new and changing legislation and the increased bad debt risks associated with operating overseas.

The Directors and management monitor these risks on an ongoing basis in order to mitigate any potential issues arising, particularly as sales growth overseas continues.

In addition, the Group has taken action to address a number of risks arising from the current uncertainty regarding the future trading relationship between the United Kingdom and the rest of Europe following the implementation of Brexit.

Financial risk management objectives and policies

The Group holds financial instruments, other than derivatives, comprising cash, other liquid resources and other items such as trade debtors and trade creditors that arise directly from its operations. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and that cash assets are invested safely and profitably.

Credit risk

In order to limit risk the Directors set limits for customers based on a combination of payment history and the guidance provided by external credit insurance providers. Debtor balances are reviewed on a monthly basis in conjunction with debt ageing and collection history.

Price risk

The Group does not deem the exposure to price changes in operating activity costs to be significant enough to consider any hedging activity to be necessary.

Foreign currency risks

The Group is exposed to currency risk as a result of its operations in overseas markets. However, given the size of the Group's operations and the volume of foreign currency transactions currently undertaken, the cost of managing this exposure to currency risk through the use of derivative financial instruments exceeds any potential benefits and as such no hedging activity is undertaken. The Group minimises currency risk exposure by operating foreign currency bank accounts in order to offset foreign currency receipts and payments and to make timely currency exchanges.

This report was approved by the board on 20/12/2022 and signed on its behalf.


C P Bond
Director

FUTURE HEALTH TECHNOLOGIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £468,188 (2020 - loss £1,743,910).

The directors did not recommend the payment of a dividend (2020: £Nil).

Directors

The directors who served during the year were:

N Linardos
G LyMBERopoulos
C P Bond

Research and development activities

The Group continues to undertake research and development activities to strengthen and expand its product range.

Qualifying third party indemnity provisions

The Group has indemnified its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in place during the year and is in force at the date of approving the financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the Group Strategic Report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report in accordance with S414C(11) as the Directors consider them to be of strategic importance to the Company.

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 and the Group'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 and the Group's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2022

and signed on its behalf.



C P Bond
Director

FUTURE HEALTH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUTURE HEALTH TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Future Health Technologies Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- 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 Group 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 Group's or the parent 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.

FUTURE HEALTH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUTURE HEALTH TECHNOLOGIES LIMITED (CONTINUED)

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.

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 Group 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 Group 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 the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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 Group's and the 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.

FUTURE HEALTH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUTURE HEALTH TECHNOLOGIES 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 Group 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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and manipulating the Company's key performance indicators to meet management targets.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

FUTURE HEALTH TECHNOLOGIES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUTURE HEALTH TECHNOLOGIES
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.

Crowe UK LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 21 December 2022

FUTURE HEALTH TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
Turnover	4	17,285,904	13,657,644
Cost of sales		(9,263,953)	(6,757,769)
Gross profit		8,021,951	6,899,875
Administrative expenses		(7,279,049)	(8,784,666)
Other operating income	5	20,216	185,425
Operating profit/(loss)	6	763,118	(1,699,366)
Interest receivable and similar income	10	2,383	31,340
Interest payable and similar expenses	11	(233,993)	(107,340)
Profit/(loss) before taxation		531,508	(1,775,366)
Tax on profit/(loss)	12	(63,320)	31,456
Profit/(loss) for the financial year		468,188	(1,743,910)
Currency translation differences		(73,278)	413,586
Total comprehensive income for the year		394,910	(1,330,324)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED
REGISTERED NUMBER: 04431145

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	13	200	884
Tangible assets	14	1,566,975	1,726,915
		1,567,175	1,727,799
Current assets			
Stocks	16	641,693	583,736
Debtors: amounts falling due within one year	17	7,558,757	6,265,967
Bank and cash balances		2,785,737	2,300,424
		10,986,187	9,150,127
Creditors: amounts falling due within one year	18	(8,069,031)	(7,500,040)
Net current assets		2,917,156	1,650,087
Total assets less current liabilities		4,484,331	3,377,886
Creditors: amounts falling due after more than one year	19	(9,408,575)	(8,750,998)
Provisions for liabilities			
Deferred taxation	21	(301,493)	(247,535)
Net assets excluding pension asset		(5,225,737)	(5,620,647)
Capital and reserves			
Called up share capital	22	631,050	531,050
Profit and loss account	23	(5,756,787)	(6,151,697)
Equity attributable to owners of the parent Company		(5,225,737)	(5,620,647)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2022.



C P Bond
 Director


The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED
REGISTERED NUMBER: 04431145

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	200	300
Tangible assets	14	1,696,427	1,598,482
Investments	15	650,432	650,432
		2,347,059	2,249,214
Current assets			
Stocks	16	638,244	579,992
Debtors: amounts falling due within one year	17	3,757,306	4,856,947
Cash at bank and in hand		1,341,017	1,554,418
		5,736,567	6,991,357
Creditors: amounts falling due within one year	18	(4,876,285)	(6,589,732)
Net current assets		860,282	401,625
Total assets less current liabilities		3,207,341	2,650,839
Creditors: amounts falling due after more than one year	19	(5,440,515)	(5,408,164)
Provisions for liabilities			
Deferred taxation	21	(300,833)	(247,535)
Net liabilities		(2,534,007)	(3,004,860)
Capital and reserves			
Called up share capital	22	531,050	531,050
Profit and loss account brought forward		(3,535,910)	(3,056,290)
Profit/(loss) for the year		470,853	(479,620)
Profit and loss account carried forward		(3,065,057)	(3,535,910)
		(2,534,007)	(3,004,860)

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

 20 December 2022.

C P Bond
 Director

The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 January 2021	531,050	(6,151,697)	(5,620,647)
Comprehensive income for the year			
Profit for the year	-	468,188	468,188
Currency translation differences	-	(73,278)	(73,278)
At 31 December 2021	<u>531,050</u>	<u>(5,756,787)</u>	<u>(5,225,737)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 January 2020	531,050	(4,821,373)	(4,290,323)
Comprehensive income for the year			
Loss for the year	-	(1,743,910)	(1,743,910)
Currency translation differences	-	413,586	413,586
At 31 December 2020	<u>531,050</u>	<u>(6,151,697)</u>	<u>(5,620,647)</u>

The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 January 2021	531,050	(3,535,910)	(3,004,860)
Comprehensive income for the year			
Profit for the year	-	470,853	470,853
At 31 December 2021	<u>531,050</u>	<u>(3,065,057)</u>	<u>(2,534,007)</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 January 2020	531,050	(3,056,290)	(2,525,240)
Comprehensive income for the year			
Loss for the year	-	(479,620)	(479,620)
At 31 December 2020	<u>531,050</u>	<u>(3,535,910)</u>	<u>(3,004,860)</u>

The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	468,188	(1,743,910)
Adjustments for:		
Amortisation of intangible assets	100	233
Depreciation of tangible assets	427,660	426,644
Impairments of fixed assets	-	1,272,112
Loss on disposal of tangible assets	181,187	-
Interest paid	233,993	106,117
Interest received	(2,383)	(31,340)
Taxation charge	63,320	(165,174)
(Increase) in stocks	(57,957)	(10,679)
(Increase) in debtors	(1,186,143)	(764,767)
Increase in creditors	1,496,271	2,977,059
Corporation tax (paid)	(60,053)	(76,355)
Net cash generated from operating activities	1,564,183	1,989,940
Cash flows from investing activities		
Purchase of tangible fixed assets	(472,136)	(587,035)
Sale of tangible fixed assets	52,627	-
Purchase of short-term listed investments	-	(1,272,109)
Interest received	2,383	31,340
Net cash from investing activities	(417,126)	(1,827,804)
Cash flows from financing activities		
New secured loans	-	1,000,000
Repayment of loans	(486,014)	(75,126)
Interest paid	(233,993)	(106,117)
Net cash used in financing activities	(720,007)	818,757
Net increase in cash and cash equivalents	427,050	980,893
Cash and cash equivalents at beginning of year	2,285,409	890,930
Foreign exchange gains and losses	73,278	413,586
Cash and cash equivalents at the end of year	2,785,737	2,285,409
Cash and cash equivalents at the end of year comprise:		

FUTURE HEALTH TECHNOLOGIES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash at bank and in hand	2,785,737	2,300,424
Bank overdrafts	-	(15,015)
	2,785,737	2,285,409

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,300,424	485,313	2,785,737
Bank overdrafts	(15,015)	15,015	-
Debt due after 1 year	(866,667)	200,000	(666,667)
Debt due within 1 year	(2,194,848)	620,424	(1,574,424)
	(43,274)	28,831	(14,443)
	(819,380)	1,349,583	530,203

The notes on pages 16 to 40 form part of these financial statements.

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Company is a private company limited by shares incorporated and registered in England and Wales, registration number 04431145.

The registered office is Unit 10, Faraday Building, Nottingham Science & Technology Park, Nottingham, Nottinghamshire, NG7 2QP.

The principal activity of the Group is the extraction and storage of stem cells and sale of test kits for screening inherited disorders and conditions.

Details of the other companies included in the Group are set out in note 15.

2. Accounting policies

2.1 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

These financial statements replace the original accounts on Companies House and are now the statutory accounts. The financial statements are prepared as they were at the date of the original accounts.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The Directors have completed a formal going concern review including consideration of future cash flows. The directors note that in the current year the Group made a profit in 2021 before tax of £531,508 (Loss in 2020: £1,775,366) and at the year end the Group had net liabilities of £5,225,737 (2020: £5,620,647) including cash at bank of £2,785,737 (2020: £2,300,424).

The Directors have prepared detailed trading and cash flow forecasts for the Group for the going concern assessment period including sensitivity and reverse stress testing scenarios. These forecasts show that the Group will be able to operate and pay its liabilities as they fall due for payment during the going concern assessment period.

The Directors recognise that trading in the coming months is expected to continue to be challenging, but consider that the Group has ample cash reserves to meet these challenges. Further, cost management initiatives are in place such as reducing discretionary administration expenditure. The Directors believe that the Group is strategically placed with the right resources and technology to capitalise on current opportunities available in the market.

Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 comprises turnover recognised in respect of goods and services supplied during the year and is recognised as services are provided to customers.

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Research and development

Research and development expenditure is written off in the year in which it is incurred.

R&D tax credits are accounted for under the accruals model unless the receipt of monies cannot be foreseen with reasonable certainty. R&D tax credits are recognised within the Statement of Comprehensive Income where receipt can be foreseen with reasonable certainty, in order to match income with the related expenditure. The amounts are either recognised within operating costs or as a reduction in the tax charge, dependent upon the nature of the claim made.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.8 Deferred income

Deferred income relates to payments made in advance in relation to the storage of stem cell samples. Under the terms of the storage agreement payment is received upfront and deferred income is recognised as a liability in the Statement of Financial Position to reflect an estimate of future costs and attributable margin associated with stem cell storage.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

2.11 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.

The estimated useful lives range as follows:

Patents	-	20% straight line
Development expenditure	-	20% straight line

2.12 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.

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold improvements	- over the period of the lease
Plant and computer equipment	- 15-33% reducing balance

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.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions 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 significant judgements relate to the following:

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 Company'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 by each class is included in note 13.

Bad debt provision

The bad debt provision consists of trade debtor balances older than 120 days at the year end on which there is no further recovery in the subsequent period. The net trade debtors balance at the year end is included in note 16.

Deferred income

The storage element of sales is deferred over the storage period which could be up to 30 years. The Directors have taken the view that the costs of storing stem cells, including margin, should be closely related to the amount recognised as deferred income. The Directors have based their estimates in relation to the future costs of storage. Storage periods are 20 years, 25 years or 30 years. Deferred income due within one year is shown in note 17 and total deferred income due over one year is shown in note 18.

Impairment of investments and intercompany loans

The indicators of impairment as detailed in FRS102 are considered on an annual basis. Based on the figures in the financial statements the Directors conclude as to whether any impairment is required. The carrying value of the investments and intercompany loans at the year end are shown in notes 14 and 16.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

The majority of the turnover is attributable to the extraction and storage of stem cells and sale of test kits for screening inherited disorders and conditions.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	4,661,645	3,012,217
Rest of Europe	10,046,585	9,193,132
Rest of the world	2,577,674	1,452,295
	<u>17,285,904</u>	<u>13,657,644</u>

5. Other operating income

	2021 £	2020 £
Government grants	<u>20,216</u>	<u>185,425</u>

Coronavirus Job Retention Scheme

The group received grants in relation to the Coronavirus Job Retention Scheme which are accounted as revenue grants. £20,216 (2020 - £185,425) was credited to the statement of comprehensive income in relation to this grant.

The group did not directly or indirectly benefit from any other forms of government grants.

6. Operating profit/(loss)

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

	2021 £	2020 £
Research & development charged as an expense	14,877	8,305
Depreciation of tangible fixed assets	427,660	426,645
Amortisation of intangible assets	100	233
Exchange differences	364,362	404,579
Other operating lease rentals	367,944	342,687
Defined contribution pension cost	<u>35,369</u>	<u>35,369</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	48,000	60,500

8. Employees

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

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	3,088,642	<i>2,887,886</i>	2,101,789	<i>1,898,587</i>
Social security costs	150,553	<i>371,668</i>	150,553	<i>151,919</i>
Cost of defined contribution scheme	253,094	<i>63,420</i>	76,210	<i>37,875</i>
	<u>3,492,289</u>	<i><u>3,322,974</u></i>	<u>2,328,552</u>	<i><u>2,088,381</u></i>

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Sales & Administration	110	<i>102</i>	76	<i>67</i>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	309,605	279,340
Group contributions to defined contribution pension schemes	14,620	7,672
	<u>324,225</u>	<u>287,012</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £179,584 (2020 - £127,358).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,620 (2020 - £7,672).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>2,383</u>	<u>31,340</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	-	5,274
Loans from group undertakings	233,993	100,843
Share of associates	-	1,223
	<u>233,993</u>	<u>107,340</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	-	(104,976)
Adjustments in respect of previous periods	-	(57,296)
Foreign tax		
Foreign tax on income for the year	9,936	-
Foreign tax in respect of prior periods	-	6,223
Total current tax	9,936	(156,049)
Deferred tax		
Origination and reversal of timing differences	53,384	129,833
Adjustments in respect of prior periods	-	(5,240)
Total deferred tax	53,384	124,593
Taxation on profit/(loss) on ordinary activities	63,320	(31,456)

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>531,508</u>	<u>(1,775,366)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	100,987	(337,320)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	50,852	80,743
Capital allowances for year in excess of depreciation	(20,340)	1,873
Adjustments to tax charge in respect of prior periods	-	(62,536)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(48,283)
Tax losses of foreign subsidiaries utilised	-	245,255
Deferred tax not recognised	(118,590)	67,074
Deferred tax rate differences	48,621	21,738
Due to tax variance	1,790	-
Total tax charge for the year	<u><u>63,320</u></u>	<u><u>(31,456)</u></u>

Factors that may affect future tax charges

In March 2021 the UK Government announced an increase in the UK Corporation Tax headline rate to 25% with effect from 1 April 2023.

Losses of approximately £320,711 (2020 - £792,344) are available to be carried forward and utilised against future profits.

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Intangible assets

Group

	Patents £	Developm't expenditure £	Computer software £	Goodwill £	Total £
Cost					
At 1 January 2021	3,092	59,251	80,154	126,166	268,663
Foreign exchange movement	(584)	-	-	-	(584)
At 31 December 2021	<u>2,508</u>	<u>59,251</u>	<u>80,154</u>	<u>126,166</u>	<u>268,079</u>
Amortisation					
At 1 January 2021	2,508	58,951	80,154	126,166	267,779
Charge for the year on owned assets	-	100	-	-	100
At 31 December 2021	<u>2,508</u>	<u>59,051</u>	<u>80,154</u>	<u>126,166</u>	<u>267,879</u>
Net book value					
At 31 December 2021	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>200</u>
At 31 December 2020	<u>584</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>884</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Intangible assets (continued)

Company

	Developm't expenditure £	Goodwill £	Total £
Cost			
At 1 January 2021	59,251	126,166	185,417
At 31 December 2021	<u>59,251</u>	<u>126,166</u>	<u>185,417</u>
Amortisation			
At 1 January 2021	58,951	126,166	185,117
Charge for the year	100	-	100
At 31 December 2021	<u>59,051</u>	<u>126,166</u>	<u>185,217</u>
Net book value			
At 31 December 2021	<u>200</u>	<u>-</u>	<u>200</u>
At 31 December 2020	<u>300</u>	<u>-</u>	<u>300</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets

Group

	Leasehold improvements £	Plant and computer equipment £	Total £
Cost or valuation			
At 1 January 2021	472,085	5,409,602	5,881,687
Additions	2,130	470,006	472,136
Disposals	-	(390,140)	(390,140)
Exchange adjustments	-	(7,592)	(7,592)
At 31 December 2021	<u>474,216</u>	<u>5,481,876</u>	<u>5,956,091</u>
Depreciation			
At 1 January 2021	400,627	3,754,145	4,154,772
Charge for the year on owned assets	10,940	416,720	427,660
Disposals	-	(156,326)	(156,326)
Exchange adjustments	-	(36,990)	(36,990)
At 31 December 2021	<u>411,567</u>	<u>3,977,549</u>	<u>4,389,116</u>
Net book value			
At 31 December 2021	<u>62,648</u>	<u>1,504,327</u>	<u>1,566,975</u>
At 31 December 2020	<u>71,458</u>	<u>1,655,457</u>	<u>1,726,915</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Plant and computer equipment £	Total £
Cost or valuation			
At 1 January 2021	472,084	3,894,653	4,366,737
Additions	1,584	455,417	457,001
At 31 December 2021	<u>473,668</u>	<u>4,350,070</u>	<u>4,823,738</u>
Depreciation			
At 1 January 2021	400,627	2,367,628	2,768,255
Charge for the year on owned assets	10,940	348,116	359,066
At 31 December 2021	<u>411,567</u>	<u>2,715,744</u>	<u>3,127,311</u>
Net book value			
At 31 December 2021	<u>62,101</u>	<u>1,634,326</u>	<u>1,696,427</u>
At 31 December 2020	<u>71,457</u>	<u>1,527,025</u>	<u>1,598,482</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Fixed asset investments

Company

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2021	391,609	3,197,174	3,588,783
At 31 December 2021	391,609	3,197,174	3,588,783
Impairment			
At 1 January 2021	297,987	2,640,364	2,938,351
At 31 December 2021	297,987	2,640,364	2,938,351
Net book value			
At 31 December 2021	93,622	556,810	650,432
At 31 December 2020	93,622	556,810	650,432

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
FHT Portugal S.A.	Av. Antonio Serpa, n 32, 10 D, 1050-027 Lisboa, Portugal	100%
Future Health Technologies Espana S.L.	C/ Herrerros de Tajeda, 5, 28016, Madrid, Spain	100%
Future Health Biobank S.A.	Route de Pra de Plan 3, 1618 Chatel-St-Denis, Switzerland	100%
Future Health Italia	Via Giovanni Antonelli 47, 00197 Roma, Italy	100%
Bioeden Holdings Limited	Unit 10, Faraday Building, Nottingham Science & Technology Park, Nottingham, Nottinghamshire, NG7 2QP.	100%
^Bioeden Group Limited	Unit 10, Faraday Building, Nottingham Science & Technology Park, Nottingham, Nottinghamshire, NG7 2QP.	100%
>Future Health Screening Laboratory Limited	Unit 10, Faraday Building, Nottingham Science & Technology Park, Nottingham, Nottinghamshire, NG7 2QP.	100%
>Future Health Cryostorage Limited	Unit 10, Faraday Building, Nottingham Science & Technology Park, Nottingham, Nottinghamshire, NG7 2QP.	100%

^ Held indirectly by the Company through Bioeden Holdings Limited

> Dormant in the year

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Finished goods and goods for resale	641,693	<i>583,736</i>	638,244	<i>579,992</i>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2021 £	<i>Group As restated 2020 £</i>	Company 2021 £	<i>Company As restated 2020 £</i>
Trade debtors	5,403,464	<i>4,061,804</i>	2,081,399	<i>2,419,037</i>
Amounts owed by group undertakings	-	-	709,644	<i>1,279,480</i>
Other debtors	1,194,342	<i>1,488,276</i>	310,273	<i>994,904</i>
Prepayments and accrued income	863,529	<i>558,412</i>	551,014	<i>1,254</i>
Tax recoverable	97,422	<i>157,475</i>	104,976	<i>162,272</i>
	<u>7,558,757</u>	<i><u>6,265,967</u></i>	<u>3,757,306</u>	<i><u>4,856,947</u></i>

Included within other debtors is an amount due from Mr N Linardos, director, of Future Health Biobank SA of £232,161 (CHF 286,618) (2020 – nil)

The impairment loss recognised in the Group profit or loss for the year in respect of bad and doubtful trade debtors was £314,575 (2020 - £543,818). The impairment loss recognised in the Company profit or loss for the year in respect of bad and doubtful trade debtors was £198,816 (2020 - £61,136).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Other debtors for both the Group and Company include £226,438 (2020 - £189,602) and £139,771 (2020 - £121,270) due from Future Health Security Guarantee Limited, a related company. Further details are set out in note 26.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	15,015	-	-
Bank loans	300,626	133,333	216,666	133,333
Other loans	-	453,307	-	206,340
Trade creditors	2,718,290	1,116,061	889,218	1,294,987
Amounts owed to group undertakings	1,273,791	1,013,634	2,712,543	3,213,885
Other taxation and social security	341,202	496,160	58,647	87,116
Obligations under finance lease and hire purchase contracts	7,218	12,702	-	-
Other creditors	739,087	1,004,059	62,980	70,375
Accruals and deferred income	2,688,817	3,255,769	936,231	1,583,696
	<u>8,069,031</u>	<u>7,500,040</u>	<u>4,876,285</u>	<u>6,589,732</u>

Bank loans are secured over the assets of the Group. Interest is charged at Base rate plus 2.89%

A loan from Mr N Linardos, director, to Future Health Biobank SA, and shown under 'other loans' was repaid during the year. The amount outstanding at the year-end was £nil (2020 - CHF224,424, £181,783)

Amounts owed to group undertakings represent a loan from the ultimate parent company, Future Health Establishment, to both Future Health Technologies Limited and Future Health Biobank SA. The balance outstanding at year-end was £1,273,790 (2020 - £1,013,634). Interest is charged on these loans at fixed rates of 12% to Future Health Technologies Limited and 3% to Future Health Biobank SA. Further details are provided in note 26.

Other creditors for the Group and Company respectively include £68,874 (2020 - £37,059) and £55,561 (2020 - £nil) due from Future Health Security Guarantee Limited, a related company. Further details are set out in note 26.

Accruals and deferred income include interest payable of CHF21,520 (£17,577) (2020 - CHF8,283 (£6,910)) on a loan provided by Mr N Linardos, director, to Future Health Biobank SA. Further details are provided in note 27.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	666,667	866,667	666,667	866,667
Net obligations under finance leases and hire purchase contracts	7,225	30,572	-	-
Accruals and deferred income	8,734,683	7,853,759	4,773,848	4,541,497
	<u>9,408,575</u>	<u>8,750,998</u>	<u>5,440,515</u>	<u>5,408,164</u>

Bank loans are secured over the assets of the Group. Interest is charged at UK base rate plus 2.89%

Included within accruals and deferred income are amounts due after 5 years of £7,424,660 (2020 £3,194,560) for the Group and Company

20. Loans

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loans	300,626	133,333	216,666	133,333
Other loans	-	453,307	-	206,340
Amounts falling due 1-2 years				
Bank loans	200,000	200,000	200,000	200,000
Amounts falling due 2-5 years				
Bank loans	400,000	600,000	400,000	600,000
Amounts falling due after more than 5 years				
Bank loans	66,667	66,667	66,667	66,667
	<u>967,293</u>	<u>1,453,307</u>	<u>883,333</u>	<u>1,206,340</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Deferred taxation

Group

	2021
	£
At beginning of year	(247,535)
Charged to profit or loss	(53,958)
At end of year	<u>(301,493)</u>

Company

	2021
	£
At beginning of year	(247,535)
Charged to profit or loss	(53,298)
At end of year	<u>(300,833)</u>

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Accelerated capital allowances	(382,861)	<i>(267,270)</i>	(382,861)	<i>(267,270)</i>
Short term timing differences	1,190	<i>9,290</i>	1,850	<i>9,290</i>
Losses and other deductions	80,178	<i>10,445</i>	80,178	<i>10,445</i>
	<u>(301,493)</u>	<i><u>(247,535)</u></i>	<u>(300,833)</u>	<i><u>(247,535)</u></i>

22. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	1,000	1,000
530,000 (2020 - 530,000) A Ordinary shares of £1.00 each	530,000	530,000
30 (2020 - 30) B1 Ordinary shares of £1.00 each	30	30
20 (2020 - 20) B2 Ordinary shares of £1.00 each	20	20
	<u>531,050</u>	<u>531,050</u>

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Share capital (continued)

Rights, preferences and restrictions

Each ordinary share carries one vote in any circumstances. The holders of the ordinary shares are entitled to participate in any dividends or other distributions declared or made in respect of the ordinary shares. On a return of assets on liquidation or otherwise, the amounts paid up on the ordinary shares are to be repaid as a first priority and the remaining surplus assets are distributed to the holders of the ordinary shares.

The holders of the A Ordinary shares:

- are not entitled to receive notice of general meeting nor to attend and vote at general meetings;
- are entitled to participate in any dividends or other distributions declared or made in respect of the A Ordinary shares; and
- on a return of assets on liquidation or otherwise, are entitled to be repaid the amount paid up on the A Ordinary shares but are not entitled to participate further in surplus assets.

The holders of the B1 ordinary shares are not entitled to receive notice of nor to attend or vote at any general meeting save that on a proposed written special resolution. The aggregate amount of dividends declared or paid in respect of B1 shares in respect of any accounting reference period must not exceed 3% of the aggregate amount of dividends declared or paid in respect of the ordinary shares and the A ordinary shares in respect of the same accounting reference period. On a return of assets on liquidation or otherwise, the holders are entitled to be repaid the amount paid up on the B1 ordinary shares but are not entitled to participate further in surplus assets.

The holders of the B2 ordinary shares are not entitled to receive notice of nor to attend or vote at any general meeting save that on a proposed written special resolution. The aggregate amount of dividends declared or paid in respect of B2 shares in respect of any accounting reference period must not exceed 3% of the aggregate amount of dividends declared or paid in respect of the ordinary shares and the A ordinary shares in respect of the same accounting reference period. On a return of assets on liquidation or otherwise, the holders are entitled to be repaid the amount paid up on the B2 ordinary shares but are not entitled to participate further in surplus assets.

All shares in issue are not liable to be redeemed.

23. Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments. The profit and loss account also includes a foreign exchange reserve representing exchange differences on translation of the foreign subsidiary figures.

FUTURE HEALTH TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Prior year adjustment

The comparative financial information has been amended to include a prior year adjustment in relation to a historical bad debt provision within one of the subsidiary entities. The total amount of the adjustment is £843,029 and this has resulted in a credit to trade debtors and debit to opening reserves.

25. Pension commitments

The Group operates defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds.

The pension cost charge represents contributions payable by the Group to the schemes and amounted to £61,043 (2020 - £35,369). Contributions totalling £NIL (2020 - £NIL) were payable to the funds at the reporting date and are included in creditors.

26. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	367,944	<i>327,930</i>	227,636	<i>182,221</i>
Later than 1 year and not later than 5 years	805,050	<i>664,383</i>	234,160	<i>61,131</i>
Later than 5 years	425,496	<i>376,746</i>	131,705	<i>-</i>
	<u>1,598,490</u>	<i><u>1,369,059</u></i>	<u>593,501</u>	<i><u>243,352</u></i>

27. Related party transactions

Group

Included within amounts owed to group undertakings is an unsecured loan from Future Health Establishment, the Company's parent undertaking amounting to £1,273,790 (2020 - £1,013,634). Included within this balance is interest accrued of £305,164 (2020 - £110,516). During the year interest of £308,942 (2020 - £43,093) and foreign exchange gain of £50,307 (2020 loss of £23,504) were charged to the Statement of Comprehensive Income. Repayments of £nil (2020 - £17,894) were made in the year. The immediate family members of Mr N Linardos are the ultimate beneficial owners of Future Health Establishment.

Mr N Linardos is a director of the Company and included within trade debtors is £8,525 (2020 - £8,593) relating to Exelixis Diagnostics, a Greek company in which Mr N Linardos is also a director.

Included in other debtors is a balance of CHF286,618 (2020 creditor of CHF189,215) due from Mr N Linardos to Future Health Biobank S.A. During the year payments of CHF475,833 (2020: CHF357,103) were made to Mr N Linardos against this account in the year.

Key management personnel include all directors, who together have authority and responsibility for planning, directing and controlling the activities of the Group. Total compensation paid to key management personnel for services provided to the Group was £324,225 (2020 - £270,644).

FUTURE HEALTH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

27. Related party transactions (continued)

Included within other creditors is an amount of £68,874 (2020 - £37,059) due to the Group and included within other debtors is an amount of £226,438 (2020 - £189,602) due from Future Health Security Guarantee Limited, a company in which Mr G Macridis, a director of a company that holds shares in the Company, is sole director and shareholder. During the year £nil (2020 - £92,328) was paid to Future Health Security Guarantee Limited. In accordance with an agreement dated 1 June 2013, Future Health Technologies Limited pay over a proportion of fees collected from customers to Future Health Security Guarantee Limited to manage the cryogenic storage tanks and their contents if a trigger event occurs such that Future Health Technologies Limited is unable to do so. Future Health Security Guarantee Limited has a charge over the cryogenic storage tanks as security, which will enable it to purchase the tanks if a trigger event occurs.

Company

Included within amounts owed to group undertakings of the Company is an unsecured loan from Future Health Establishment, the Company's parent undertaking, amounting to £677,272 (2020 - £419,977). Included within this balance is interest accrued of £287,789 (2020 - £96,622). During the year interest of £291,568 (2020 - £25,199) and foreign exchange gain of £34,273 (2020 loss of £23,504) were charged to the Statement of Comprehensive Income. Repayments of capital and interest of £Nil (2020 - £nil) were made in the year.

Included within other creditors is an amount of £55,561 (2020 - £37,059) due to the company and included within other debtors is an amount of £139,771 (2020 - £121,270) due from Future Health Security Guarantee Limited, a company in which Mr G Macridis, a director of a company that holds shares in the Company, is sole director and shareholder. During the year £nil (2020 - £55,615) was paid to Future Health Security Guarantee Limited. In accordance with an agreement dated 1 June 2013, Future Health Technologies Limited pay over a proportion of fees collected from customers to Future Health Security Guarantee Limited to manage the cryogenic storage tanks and their contents if a trigger event occurs such that Future Health Technologies Limited is unable to do so. Future Health Security Guarantee Limited has a charge over the cryogenic storage tanks as security, which will enable it to purchase the tanks if a trigger event occurs.

The Company has taken advantage of the exemption available in Section 33.1A of FRS102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the Group.

28. Ultimate parent undertaking and controlling party

The Company's parent undertaking is Future Health Establishment, incorporated in Liechtenstein, which is regarded by the Directors as the Company's ultimate parent company and its ultimate controlling party. Future Health Establishment is not required to prepare consolidated accounts.