Yourgene Health

ENABLING SCIENTIFIC ADVANCES *to* POSITIVELY IMPACT HUMAN HEALTH

ANNUAL REPORT AND ACCOUNTS 2020

We are an international molecular diagnostics Group which develops and commercialises genetic products and services

The Group works in partnership with global leaders in DNA technology to advance diagnostic science. Our product development, research service and commercial capabilities extend across the life cycle of DNA test development including regulatory submissions.

Through our technical expertise, commercial footprint and strong partnerships we are expanding across reproductive health, molecular genetics and now also infectious disease applications.

Solutions

We have a growing portfolio of competitive products and services to meet different geographies, customers and market needs.

→ *SEE PAGES 04-05 FOR MORE INFORMATION*

Progress

We are making strong progress against our four pillars for strategic growth: geographic expansion, market penetration, product expansion and mergers and acquisitions (M&A).

→ *SEE PAGES 10-11 FOR MORE INFORMATION*

Partners

Strategic partnerships with our key suppliers, customers, key opinion leaders, distributors and other stakeholders underpins our business growth.

→ *SEE PAGES 14-15 FOR MORE INFORMATION*

We continue to execute on our strategy of broadening our product mix and international reach

The strong growth across all regional segments shown below demonstrates the Company's diversified geographic base.

GEOGRAPHIC AND MARKET GROWTH

Geographic sales by region

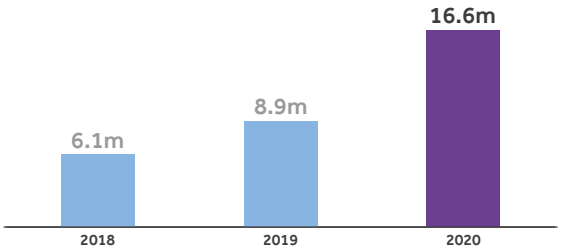
Market segment sales

OPERATIONAL HIGHLIGHTS

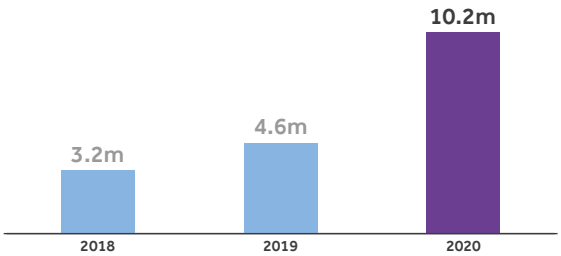
- Acquisition of Elucigene and associated £11.8 million (gross) equity fundraise in April 2019.
- Acquisition of AGX-DPNI S.A.S., a newly formed entity comprised of the non-invasive prenatal screening (NIPT) distribution business of AdGeniX the Company's current French distribution partner for the IONA® Test.
- Launch of first oncology CE marked product, the Elucigene® DPYD Assay, a new chemotoxicity diagnostic assay for precision medicine and subsequent regulatory approval in Australia.
- First US revenues and opening of Yourgene Health Inc in the US.
- Development of the Illumina-based IONA® Test progressing well and on schedule for launch (CE mark gained June 2020).
- European quality accreditation transferred to BSI Netherlands to offset Brexit risks.
- Non-executive appointments Dr John Brown, CBE and Jonathan Seaton.
- Post-period end launch of Yourgene ***Flex™*** Analysis Software to support product diversification.
- First contract manufacturing partnership for COVID-19 assay components.
- Triple Awards win – Bionow Investment Deal of Year, Bionow Company of the Year and Medilink Outstanding Achievement Award.

FINANCIAL HIGHLIGHTS

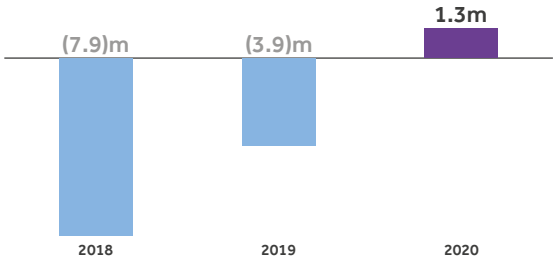
Revenue (£m)



Gross profit (£m)



Adjusted EBITDA* (£m)



* Adjusted EBITDA is the operating profit/(loss) before interest, tax, depreciation, amortisation, share-based payments and acquisition-related expenses shown separately disclosed on the face of the Income Statement.

We continue to execute on our strategy of broadening our product and service portfolio. Strengthening our reproductive health solutions gives us a broader coverage of tests throughout the reproductive life cycle and we are now building our Molecular Genetics division. We are really pleased to have been able to utilise our expertise in developing clinical diagnostics and developed our own SARS-CoV-2 screening test and laboratory service, to make a contribution to the global COVID-19 testing demand.

Dr Jo Mason
R&D Director

Enabling *scientific advances* to positively impact human health

WHAT WE DO

Yourgene has a strong and growing portfolio of molecular in vitro diagnostic products and services across reproductive health including non-invasive prenatal screening, oncology and most recently infectious diseases.

Our products and services focus on where they can make a real difference.

- *Making a clinical difference:*
  - Where the screening result can improve a patient outcome.
  - Enable patients to receive the correct dose or therapy based on their genetics.
  - Early detection of disease or a genetic disorder.
  - Diagnosis of the presence of an infectious agent.
  - Simple and easy to interpret clinical results.
- *Making a technical difference:*
  - Improved workflow.
  - Improved accuracy and detection rates, reducing false positive and false negative rates.
  - User-friendly bioinformatics portals.
  - Tests working across different platforms.
  - Improving turnaround times.
  - Reducing technician hands-on time with automated process.
  - Improving cost efficiencies of running the test.
- *Making a market difference:*
  - Considering product modifications to some regions, for example, Cystic Fibrosis country specific kits that cover different mutations.
  - Adapting and understanding local reimbursement to ensure products are covered.
  - Regulatory submissions for different regions.
  - Local language translations of IFU, test reports, marketing collateral.
  - Adapting to local ethical and legal differences, for example, in India, fetal sex determination through NIPT is illegal.

WHAT WE FOCUS ON

NON-INVASIVE PRENATAL SCREENING

We have a growing range of NIPT offerings to suit our different customer needs and different markets. The IONA® Test still remains our flagship product and our technology underpins many other commercial NIPT offerings globally.

- The IONA® Test is the first CE marked *in vitro* diagnostic product for non-invasive prenatal screening. It is now routinely screening pregnant women across many different countries through our customer network of clinical laboratories, hospitals and clinics that offer our test. Often customers choose to give the test their own NIPT brand name but our reagents and our IONA® Software form the NIPT lab workflow.
- In our clinical laboratories, the IONA® Test runs on the Ion Torrent suite of Next Generation Sequencing (NGS) instruments from Thermo Fisher. IONA® Nx NIPT Workflow runs on the Illumina Nextseq NGS platform and has just received its CE mark ahead of European launch and roll-out.
- Sage™ 32 plex NIPT Workflow is a new high throughput offering for laboratories running large numbers of samples each week. It provides a more efficient sequencing workflow and covers a broader range of clinical coverage including trisomies, sex chromosomal aneuploidies and autosomal aneuploidies.

REPRODUCTIVE HEALTH

To complement and add value to our NIPT offering we have a range of products in the reproductive health life cycle that utilises different technologies.

- **QST*R Rapid Aneuploidy Analysis**
  A market-leading test for women that have a high risk NIPT result; they are recommended a confirmatory diagnostic test with a follow-up amniocentesis (14-18 weeks) or chorionic villus sampling (CVS) (10-12 weeks).
- **Male Factor Infertility**
  A Polymerase Chain Reaction-based (PCR) assay that looks at mutations related to Cystic Fibrosis that can be indicative of male infertility. The Male Factor Infertility Kit detects both sex chromosome aneuploidy and Y chromosome microdeletions in a single tube.
- **QST*R Recurrent Pregnancy Loss**
  A QF- PCR-based assay used for the routine *in vitro* quantitative diagnosis of the six most common autosomal trisomies associated with pregnancy loss.
- **Cystic Fibrosis Screening**
  Cystic Fibrosis has a frequency of 1 in 2,500 in the Caucasian populations but is less common in Asians (1 in 35,000). CF-EU2v1 is the only commercially available pan-European Cystic Fibrosis testing kit designed specifically to address the most common mutations found across populations of European origin. Market-leading PCR product range that has different mutational coverage per country, used in many newborn screening programmes across Europe.

MOLECULAR GENETICS

As our new product and service development pipeline matures, we now have a Molecular Genetics portfolio, which includes Oncology and Research Services and two new segments: Infectious Disease and Core Technology.

Oncology and Research Services

Our Taipei service laboratory provides an oncology genetic analysis service with tests available predominantly for lung, colorectal and breast cancer. Working with a key clinical research organisation (CRO) partner in Taiwan, our lab is involved in a national cancer research screening study.

The Elucigene® DPYD Assay is the first CE marked *in vitro* diagnostic oncology test from Yourgene which was launched in September 2019 in Europe and subsequently received approval for sale in Australia. It detects the presence of several key mutations in the DPD gene which are indicative of a person's toxicity response to a cancer treatment, a commonly used chemotherapy called 5FU.

Core Technology

Yourgene *Flex*™ Analysis Software is a modular NGS analysis framework harnessing best in class bioinformatics pipelines to offer high quality, robust yet flexible NGS analysis solutions. Enabling Yourgene to support our *in vitro* diagnostic (IVD) product development partnerships and research collaborations with key industry players.

Infectious Disease

In response to the global COVID-19 pandemic, Yourgene rapidly reacted and utilised our R&D team's expertise at developing highly accurate and reliable tests and the Company is developing the Clarigene™ SARS CoV-2 Test using PCR technology. The test will be CE marked and we are on track to launch in summer 2020. Clarigene™ is the brand family for our infectious disease portfolio and we are looking at what additional tests will be developed.

In addition, the Yourgene Service Laboratory in Manchester has established a COVID-19 testing service to support corporate institutions and organisations test their employees or private healthcare setting such as care homes and private GP networks.

We are delivering results by living our values and developing our people

OUR CULTURE AND PERFORMANCE

At Yourgene we are very proud of our value-led global culture and our people; we encourage an open, honest, innovative, collegiate culture that embraces and welcomes our local geographical and cultural diversity. Communication is key and we have a transparent and clear leadership team and Programme Management Office (PMO) that ensures accountability and delivery.

This year we have rolled out additional programmes to enhance and support our culture:

Recognition:

- Cheers from Peers scheme where cross-functional colleagues can nominate each other for going above and beyond.
- Long-term service awards to recognise the commitment and loyalty of colleagues.
- Innovation Award for employees that submit exceptional new ideas into our Gateway Incubator.

Yourgene Social Huddle:

A team of volunteers across the Group who embody our values and act as champions of our culture:

- Compile feedback and suggestions from around the business.
- Strive to encourage engagement and participation.
- Organise social and wellbeing events and programmes.
- Organise charity fundraising across the Group.

Internal communication:

- Your Source – Yourgene's global intranet just launched.
- Yourgene: Your News – our biweekly global internal newsletter.
- Lyn's blog – quarterly blog from our CEO to all staff.
- Quarterly Townhalls – (meetings or webinars) companywide events to update everyone on strategy, progress and to keep us connected.

VALUES

Our values shape everything we do as a Company, from how we develop our products, how we work with our customers and how we engage with each other.

Recognition: Key to our success is to recognise our employees, our customers and other stakeholders that embody our values, in order to inspire each other to reach our goals.

Teamwork: We know that our best work is not produced by individuals but by our teams. This team mentality also extends to our clients as we approach every relationship as a partnership.

Trust: This is core to everything we do; we can't embody the other values if we don't have trust. We are driven to be a Company with people, products and partnerships that are trusted.

Achievement: We have clear goals, milestones and KPIs and we are driven to achieve these and then to recognise our achievements.

Integrity: We do the right thing. We are professional, ethical, honest and open about everything we do.

Commitment: We are committed and passionate about achieving our goals for the benefit of all our stakeholders.

OUR PEOPLE AND CULTURE DURING COVID-19

The Company quickly identified that COVID-19 was a serious threat and established a COBRA Taskforce within the organisation to look at the risk and mitigation planning across the different territories and functions.

Our key priority was the health and safety of our employees and ensuring we were able to continue to supply our customers with our products.

- Prior to government recommendations we relocated our staff to homeworking where appropriate.
- Enabled social and physical distancing and split shifts across our laboratories, manufacturing and operations teams.
- Increased communications internally to daily updates.
- Social Huddle organised virtual events, quizzes and social hangouts via Zoom and Teams to keep the culture alive.
- Teams adapted and embraced new technologies and communication channels.
- Ensured availability of key raw materials and supply chains intact.
- Initiated cross-training programme across all key functions.
- Customer communications and support.
- Regular 1:1 contact with customers remotely and virtual technical support.

In addition, the Company responded to the global pandemic and our flexible and agile teams enabled a fast commitment in supporting the testing effort for the global pandemic threefold:

- Contract manufacturing of COVID-19 components for a partner.
- Opening our own COVID-19 testing service laboratory in Manchester.
- Developing our own Clarigene™ SARS CoV-2 assay.

The Company is pleased that we have been able to support the global pandemic with much needed COVID-19 testing and that we are in a position to grow and hire new staff and we haven't had to furlough any of our teams during this challenging time.

*"The reorientation of the business to focus on our four key strategic **growth drivers** is starting to bear fruit, and I remain convinced we have a very significant opportunity ahead of us. We are **confident** in our outlook and very excited about the prospects for **further growth** over the following years.*

Lyn Rees
Chief Executive Officer

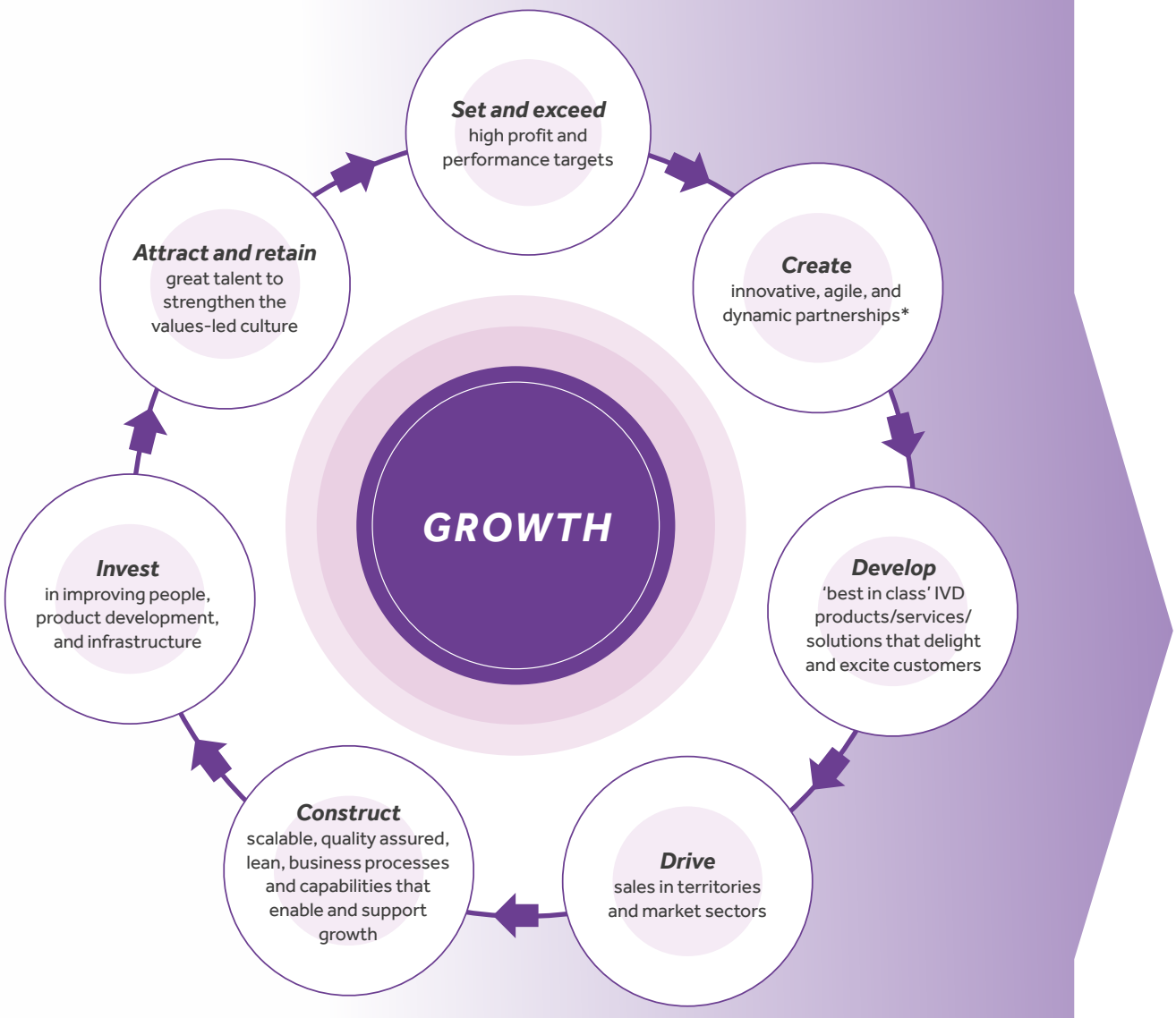
We are very excited about our strong commercial momentum and the prospects for further growth

£16.6m
REVENUE

87%
REVENUE GROWTH

Our strategic growth drivers are a key focus in our business model to enable us to reach our annual goals, with the aim of adding value to all our stakeholders

HOW WE GENERATE GROWTH



* Partnerships include suppliers, platforms, distributors, key opinion leaders, co-development, in-licensing.

PRODUCT PORTFOLIO DEVELOPED FOR GROWTH

NIPT

Reproductive Health

Molecular Genetics:
- Oncology
- Research Services
- Infectious Diseases
- Core Technology

Growing Technology Portfolio

Growing Geographical Reach

Growing Product & Service Portfolio

MARKET CHANNELS

Indirect

Yourgene has a strong and growing international distribution network for our channel markets. In addition to driving product demand and growing revenue in the region, they provide regulatory support, export logistics, first line technical assistance and local market understanding. We work in partnership with our distributors to promote our products in that region with co-marketing initiatives and local conference attendance, often organising educational launch events with our key customers.

Direct

Across some regions we have a direct sales network such as UK, India, Singapore, Taiwan, Canada. Since the acquisition of AGX-DPNI we now sell directly in France supported by a French-speaking commercial team and we have recently gone direct in the DACH (Germany, Austria and Switzerland) region.

The Company works directly with key strategic partners from the pharma, diagnostic and research industry to develop partnership development programmes or contract manufacturing opportunities.

Partners

Yourgene works in close partnership with our key platform providers to support their laboratory customer base with our reproductive health and molecular genetics solutions. We develop targeted co-marketing campaigns for specific regions, working collaboratively to win market share.

VALUE FOR OUR STAKEHOLDERS

Employees

We want our employees to value their role at Yourgene, to feel that we have an engaged, open culture where everyone's ideas and contributions matter. We want our teams to feel valued, recognised and that they are pivotal to the Company's achievements. We want to be able to attract and retain great talent and invest in their future growth and development at Yourgene.

Shareholders

We want our investors to feel excited by our growth story and proud of our progress and milestones that we reach as a business. That we are open communicators and we share news in a transparent and considered manner.

Healthcare Professionals

We develop and offer excellent quality, highly regulated *in vitro* diagnostics that give clinically relevant information in an easy to interpret manner to healthcare professionals. We have a strong ethical stance on the tests that we develop that they will impact patient outcomes.

Laboratories

At Yourgene we spend a lot of time talking to our lab customers to understand what their needs are. We then build this feedback into our product development roadmap and across our support functions to ensure our customers receive the highest quality products and services to meet their needs.

Partners

We work in close collaboration with key partners to develop an impactful, clear, open and honest relationship that focuses on mutual beneficial goals with key milestones outlined to give accountability and ensure key deliverables are on track.

We work in *partnership with global leaders* in DNA technology to advance diagnostic science

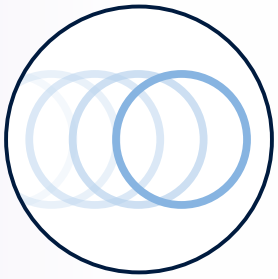
We describe the Company as being partnership rich and strong in strategic relationships with our different stakeholders, which is the foundation of our growth strategy. We see our customers as more than transactional, we want to really understand them and their needs, we want to collaborate across different applications and really strengthen and grow the relationship into a trusted and valued partnership.

Hayden Jeffreys
Chief Operating Officer

We have made sound progress in all four areas of our strategic growth priorities this year

STRATEGIC PRIORITIES

ORGANIC



Market Penetration

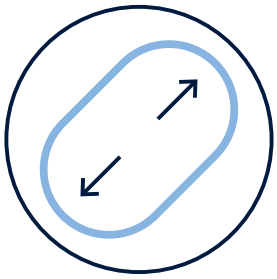
Sell more in existing channels

Drive worldwide sales of our current product and service portfolio by targeting further expansion through direct and key distribution channels.

Geographic Reach

Sell into new territories

Expand directly and through distributors and partners into new regions.



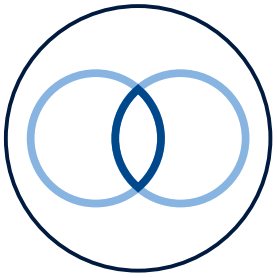
Product Expansion

New product lines and content

Leverage our technical and regulatory expertise and partnerships to extend our genetic testing offering.

Support diagnostic majors and bioinformatics specialists with IVD product contract development partnerships.

INORGANIC



Mergers and Acquisitions

Consolidator in the market

We are considering additional selective mergers and acquisitions in the future to support our business growth.

It's a fragmented market with few medium-sized entities which presents a strong opportunity for consolidation.

ACHIEVEMENTS	FUTURE PLANS
• Range selling to customers with expanded reproductive health & infectious disease product range. • Gained NIPT market share across some key regions. • Revenue growth of 87%. • Consolidated NIPT market in France with acquisition of AGX-DPNI enabling us to get closer to the customer. • Co-marketing partnerships with distributors and key platform partners. • Global review and alignment of distribution network. • Global sales organisation re-structure and strengthened the team with key appointments. • Increased digital marketing in lieu of exhibitions due to COVID-19.	• Developing an Advisory Panel for key opinion leaders and key customers. • Further professional development for global sales team. • Strengthening Product Management team to support growing product mix. • New and improved internal global CRM system. • Additional co-marketing campaigns with key platform leaders.
• Now in over 60 countries due to Elucigene acquisition. • Established Yourgene Health Inc and first customer revenue achieved in US. • DPYD assay approved for sale in Australia. • IONA® Nx NIPT Workflow received CE mark ahead of commercial launch. • Substantial expansion of NIPT customers in India, South East Asia and Middle East. • Growing regulatory framework of submissions scheduled.	• UK and European roll-out of IONA® Nx NIPT Workflow. • Emergency Use FDA approval submission for Clarigene™ SARS-CoV-2 Test. • Market entry plans for LATAM. • Development of Cystic Fibrosis panels for new regions.
• Science Excellence internal working party. • Strengthened R&D team with key appointments. • Developed the Clarigene™ infectious disease portfolio and developing our first Clarigene™ SARS CoV-2 test. • Launched Elucigene® DPYD Assay – our first Precision Medicine CE marked product. • Launched Yourgene *Flex*™ Analysis Software. • Developed IONA® Nx NIPT Workflow on the Illumina NGS platform.	• Develop a Scientific Advisory Board. • Expansion of the Precision Medicine portfolio with a focus on oncology initially. • Expansion of the Clarigene™ infectious disease portfolio. • Enhancements to Sage™ Link cloud-based NIPT software.
• Elucigene integration complete with synergy cost savings realised. • Elucigene and Yourgene teams merged and mostly all located together at refitted Citylabs headquarters in Manchester. • Completion of acquisition of AGX-DPNI – French NIPT distributor partner. • Realised roadmap to profitability.	• Continue to identify M&A opportunities based on business growth strategy. • Position Yourgene as a consolidator in the market. • Showcase Yourgene to investors as a high growth story for future M&A fundraising. • Transition AGX-DPNI French customers to IONA® Nx NIPT Workflow.

The acquisition of AGX-DPNI has an immediate and positive impact on earnings and is an opportunity to fully capitalise on our rising NIPT sales in this growing market

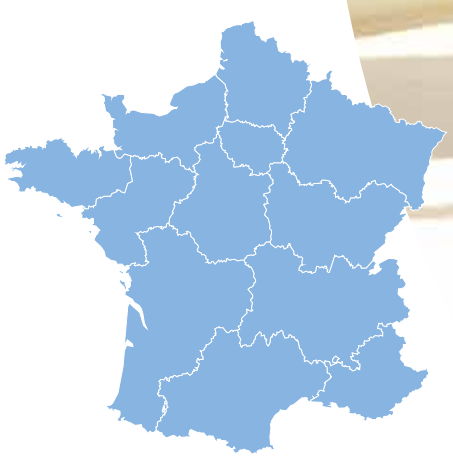
HOW THIS ACQUISITION SUPPORTS OUR STRATEGY

- ***Market Development***
- ***Geographic Reach***
- ***Product Expansion***
- ***Mergers and Acquisitions***

In March 2020, the Company announced that we had acquired AGX-DPNI, the NIPT arm of our French distributor AdGeniX. This was achieved by raising £2.5 million with BGF one of our significant investors. This is a timely and strategic acquisition, just ahead of the roll-out of IONA® Nx NIPT Workflow, enabling us to be much closer to our growing French lab customer base. The acquisition is fundamentally about acquiring our French customers' business and does not include facilities, technology or people. Following an initial period of integration, we will then gain direct control of this growing and important market.

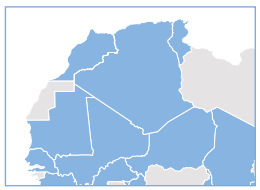
Market Penetration in France

France is a key growth market for NIPT with French government reimbursement agreed in early 2019 and 75% growth in Yourgene NIPT volume sales in 2019. Yourgene currently have seven established NIPT labs in France and they are mainly large private laboratory networks which have nationwide coverage. Yourgene having direct customer ownership as we roll-out our IONA® Nx NIPT Workflow into these labs will ensure a smooth transition. In addition, we have over 30 lab public hospital lab customers in France that use our Cystic Fibrosis and other reproductive health products, optimising opportunities for range selling.



Geographic Expansion

The acquisition will enable improved access to new high growth markets in the French-speaking Africa and Middle East regions. The Yourgene commercial operation has a dedicated French-speaking team based in the UK and in country to support our customers.



Product Expansion

Opens up new clinical collaborations with customers to develop new menu opportunities across the broad and growing product range.

*"This provides us with our first direct commercial presence in Europe, and gives us an EU-based presence post-Brexit. It also **opens up access to high-growth French-speaking African and Middle Eastern markets** not previously addressed by Yourgene.*

Lyn Rees
Chief Executive Officer

The enlarged Yourgene Health is a renewed business, with considerable growth potential

I am delighted to report that the 2019/2020 financial year has been a defining one for your Company, led by the CEO Lyn Rees. We have taken the business through a period of substantial change and created a strong foundation for future growth.

Yourgene Health Plc has gone from strength-to-strength and during the financial year 2019/20, we have reported our first year of positive EBITDA*. The Group now has three clear areas of product focus:

- Non-Invasive Prenatal Testing (NIPT)
- Reproductive Health
- Molecular Genetics, including oncology, research services and infectious disease (COVID-19 testing)

Excluding Infectious Disease, which was a new focus post-period end, each of these areas grew throughout the last financial year, however it will be their contribution throughout 2020 and beyond that will define the Group.

During the 2019/20 financial year we acquired and integrated Elucigene Diagnostics and in March 2020 we acquired AGX-DPNI S.A.S, both of these acquisitions have been earnings enhancing during the current financial year and will continue to be so.

Distribution channels expanded during the period and we now currently distribute to over 60 countries, to over 300 customers, either directly or via distributors. To accommodate this expansion we have invested in new facilities and staff, which will provide additional capacity for the anticipated future growth of the Group and to support the roll out of the IONA® Nx product.

The Board during this period has been strengthened by the appointment of Dr John Brown CBE and Jonathan Seaton, who both have extensive experience within the life science industry and have made a very valuable contribution. Jonathan in particular has a lot of expertise in mergers and acquisitions and is based in the US – this supports our strategic growth plans.

I would like to take this opportunity to thank all of our team at Yourgene for their effort, dedication and loyalty to the Group during this period and the COVID-19 pandemic. We have a business that has a balanced portfolio with substantial opportunities, which we are determined to deliver upon.

Adam Reynolds
Non-executive Chairman
27 July 2020

* Adjusted EBITDA is the operating profit/(loss) before interest, tax, depreciation, amortisation, share-based payments and acquisition-related expenses shown separately disclosed on the face of the Income Statement.

YEAR IN REVIEW

March 2020
Acquisition of AGX-DPNI, French distribution channel

February 2020
CE Marking technical file submission for IONA® Nx NIPT Workflow

February 2020
Medilink Award for Outstanding Achievement

February 2020
DPYD approved for sale in Australia

November 2019
Bionow double award win
Winners of Bionow Investment Deal of Year and Bionow Company of the Year at the 18th Annual Bionow Awards ceremony

November 2019
Opening of new facilities in Citylabs 1.0, Manchester and corporate HQ

October 2019
Launch of Yourgene *Flex*™ Analysis Software – expanding our capabilities in bioinformatics

September 2019
CE-IVD certification renewal with notified body BSI, Netherlands

September 2019
Launch of Elucigene® DPYD Assay
First precision medicine CE marked kit for chemotoxicity

August 2019
Yourgene Health Inc established and first US revenue generated

August 2019
Jonathan Seaton appointed to the Board as Non-executive Director

July 2019
Dr John Brown appointed to the Board as a Senior Independent Director

April 2019
Acquisition and fundraise
£11.8 million fundraise to finance acquisition of Elucigene Diagnostics

We have continued to deliver on our strategy this year and I'm very excited about the prospects for further growth over the following years

I am absolutely delighted with the positive progress that we've made in the last 12 months, and I am equally excited about the opportunities we have ahead of us in the new financial year which will allow us to continue our strong commercial momentum despite the challenges caused by the global pandemic.

I am also very proud of the way the team has pulled together to support the global COVID-19 effort with the launch of our Clarigene™ SARS-CoV-2 Test and also to progress the IONA® Nx NIPT Workflow product ("IONA Nx") through CE marking and towards commercial launch under difficult market conditions.

Certainly, from a financial perspective, the year ending 31 March 2020 proved to be another year of delivering significant growth in line with expectations. Revenues were up 87% to £16.6m compared to the previous year and we achieved a key milestone of recording a positive adjusted EBITDA* for the first time, with adjusted EBITDA of £1.3m compared to an adjusted EBITDA loss of £3.4m last year. Also, with over £2.7m of cash in the bank at year end we are well funded to continue to execute against our four key strategic priorities for growth, and which over the last year we made significant progress against.

KEY STRATEGIC PRIORITIES FOR GROWTH

Product Penetration
Selling more into existing channels

Product Expansion
New product lines and content

Geographic Expansion
Selling more into new territories

Acquisitive Growth
Both earnings enhancement opportunities and technology consolidation

Product Penetration

During the year we recorded like for like organic growth from existing products of approximately 36%.

The majority of this organic growth is derived from the increased use of our flagship non-invasive prenatal tests (NIPT) for Down's syndrome and other genetic disorders. Sales from NIPT products and services were up 29% over the year to just over £10m (up from £7.9m), although this does include three weeks' contribution from our French NIPT distribution business which was acquired in March. Whilst we are delighted with the continued performance of the NIPT business this growth was held back due to anticipation by our UK and European customers for the new Illumina-based IONA Nx format, which we expect to be a major driver of NIPT sales growth in these markets once launched.

* Adjusted EBITDA is the operating profit/(loss) before interest, tax, depreciation, amortisation, share-based payments and acquisition-related expenses shown separately disclosed on the face of the Income Statement.

It was also pleasing to see a very strong performance over the year from our research services activities operated from Taipei, which made a strong contribution to the performance of our Molecular Genetics Division (previously referred to as Oncology & Research services).

Our strong focus on the development of key relationships has been essential to ensuring continued growth from our existing sales channels. We have cultivated and reinforced our direct relationships with customers in key regions and we have a well-established channel of distribution partners who bring the experience of local market knowledge, culture and language, networks and provide on the ground regulatory and logistic support. We continue to maintain and develop relationships with key instrumentation manufacturers such as Illumina and Thermo Fisher. We have established collaborations with key opinion leaders, clinicians, and scientists, to promote the need for high-quality and highly accurate prenatal screening.

Having already established a strong NIPT footprint in India, the Middle East and Asia we have benefited from continued growth in these areas. As NIPT use continues to grow in these areas, our distribution partners have successfully increased adoption of our products within their regions.

Geographic Expansion

We continue to make excellent progress in expanding our commercial footprint into new territories. A key achievement during the year was the establishment of a direct sales presence in the US for the first time, through the establishment of Yourgene Health Inc, and most importantly the generation of our first US revenues. We expect to see good growth from the US market when borders open up again.

The Elucigene acquisition has been a big driver of our increased geographic coverage and we now sell products into over 60 countries worldwide, compared to 30 countries last year.

During the year we have entered new markets with contract wins for NIPT in South East Asia, Eastern Europe and the Middle East, we have appointed new distributors to cover additional countries, previously not served by our distribution network. We continue to look for long term opportunities in China across our expanded product range and we continue to evaluate potential partners.

The result of our geographic expansion can be seen below:

Revenue Analysed by Geographical Market

Regional segments	Year ended 30 March 2020 £m	% of total	Year ended 30 March 2019 £m	% of total	Growth
UK	2.0	12%	1.2	14%	+62%
Europe	4.1	25%	1.8	20%	+133%
International	10.5	63%	5.9	66%	+78%
Total	**16.6**	**100%**	**8.9**	**100%**	**+87%**

Product Expansion

During the year we have successfully executed our plan to broaden our product lines and content beyond NIPT and to establish a wider range of additional reproductive health products within the Group, covering many elements of the reproductive lifecycle.

During the year we launched our first oncology product, the Elucigene DPYD assay, a new chemotoxicity diagnostic assay, a simple-to-use genotyping test that can identify cancer patients with Dihydropyrimidine Dehydrogenase (DPD) deficiency. DPD can cause severe and sometimes lethal side effects in patients being treated with chemotherapeutic drug 5-Fluorouracil (5-FU), commonly used in the treatment of colon, oesophageal, stomach, pancreatic, breast and cervical cancers. UK sales are growing with several public sector key customers routinely using the test to pre-screen cancer patients ahead of being prescribed a treatment therapy.

This year we also launched Yourgene Flex™ Analysis Software which allows us to work in close collaboration with product development partners to customise our analysis platform for their NGS applications beyond NIPT. We believe that this will open up opportunities to develop products in other fields such as reproductive health, oncology or other clinical diagnostic fields and across new regions too.

Following the successful development and CE marking of our IONA Nx product our talented R&D team are now able to deploy on developing additional new products and services, not only for us but also for any contract development partners. This is particularly significant given our expedited development of products and services focused on infections disease, namely COVID-19, and I will address this opportunity in my Outlook statement. Our product range is more diverse, utilises broader technologies and we have become platform agnostic. We are the only NIPT provider to offer the test for both NGS platforms.

The increased spread of our revenue base outside of NIPT can be seen in the table below:

Revenue Analysed by Product Segments

Product segments	Year ended 30 March 2020 £m	% of total	Year ended 30 March 2019 £m	% of total	Growth
NIPT	10.1	61%	7.9	89%	+29%
Reproductive Health	3.7	22%	0.0	0%	n/a
Molecular Genetics	2.8	17%	1.0	11%	+174%
Total	**16.6**	**100%**	**8.9**	**100%**	**+87%**

Acquisitive Growth

During the year we completed two strategic and earnings enhancing acquisitions that have been a major contributor to the successful growth of the Company and has set us up with a much stronger platform to deliver further growth in 2020 and beyond.

In April 2019, we acquired Elucigene Diagnostics, a highly complementary business which was immediately accretive to earnings. Integration has gone incredibly well with the team now united under one management structure operating out of our Citylabs 1.0 facilities in Manchester. Manufacturing is now concentrated on this one site and the expected synergies from integration have been fully realized. Yourgene now has a wider portfolio of complementary products that can be sold to customers as part of a range and a broader global sales network. Following integration we have achieved over 12% like-for-like growth in the Elucigene business through the realisation of commercial synergies.

In March 2020 we announced the acquisition of our French NIPT distribution channel, AGX-DPNI, providing us with direct access into a key growth market given that the French Government agreed NIPT reimbursement in early 2019 and we experience 75% growth in our NIPT volume sales in France during 2019.

We will continue to consider additional selective synergistic M&A opportunities that offer significant shareholder value, whether these might be earnings enhancement opportunities or the chance to acquire complementary molecular diagnostic technologies.

Continued Expansion of People Talent

Outside of the Board, we've been keen to invest in the future growth of our business by acquiring talented individuals to the organization, strengthening our team and developing staff's expertise. Key hires this year include our first US commercial recruit to support US operations, a new Research & Development Director, and a new HR Director. We have added new talent and skills to our service laboratory offering and have strengthened our quality and regulatory team. In anticipation of further commercial growth and the launch of new products we have also strengthened our marketing, sales, business development and customer service teams. In addition, we have grown our European sales team with key appointments in UK, France, Germany to support the commercial roll-out of the IONA Nx NIPT Workflow.

Conscious of the fact that it is our entire team that delivers value to shareholders, we are in the process of identifying suitable ways to ensure that everyone involved in this business will be rewarded for success. This will align the interests of all staff with our investors, and with staff themselves as shareholders we will ensure that we all work together to deliver shareholder value.

Impact of COVID-19 on the Business

I am exceptionally proud of how the entire Yourgene team have adapted to the new working conditions imposed by the Coronavirus pandemic. Early on in the crisis we put in place robust systems to continue to operate efficiently and to continue to provide customers with world-leading molecular diagnostic solutions and services. Keeping customer supplied was key during this period and I am pleased to say that this has been maintained throughout. I would certainly like to record my thanks to everyone for their hard work and dedication and I'm sure shareholders will join me in congratulating the team for continuing to supply customer and develop new products for commercial launch under such testing circumstances.

Outlook

Without doubt, the most exciting part of our business is not just what we have proudly achieved in 2019, but the platform that we've built to deliver future growth in 2020 and beyond. Critical to this is the opportunity for growth that we have through the launch of IONA Nx, following successful CE-IVD marking, and also the launch of our Clarigene™ SARS-CoV-2 test.

IONA Nx

In June we were delighted to announce the CE-IVD mark for our Illumina-based IONA® test, which will be launched as the IONA® Nx NIPT Workflow. This test has been developed to run on the Illumina NextSeq 550Dx Next Generation Sequencing ("NGS") instrument, and this is major advancement of our flagship NIPT given that Illumina's NGS technology accounts for around 75% of the global NGS market. Not only does it allow us for the first time to proactively market in our existing markets (mainly Europe) but it will also allow us to target new markets, previously excluded to us for NIPT, such as Asia Pacific and North America.

In anticipation of full commercial launch, we are soon to be installing the test to run as part of our own laboratory service run from our facilities in Manchester. This will allow us to imbed best practice in readiness for the transition to our customer labs. Planning and scheduling are underway with existing IONA customers across Europe to transition to the IONA Nx and market development plans are in place for the introduction of IONA Nx in new territories and discussions are progressing with customers in new territories for the IONA Nx. We expect to announce further details of our commercial launch and roll-out activities over the summer and will be working through a schedule of regulatory submissions to allow launch into new regions over the coming months.

Our IONA test has a strong reputation for reliability and accuracy and was the first CE marked NIPT product for the European Market. The new IONA Nx combines this gold standard for reliability and accuracy with a market leading sequencer and we believe this will be a strong driver of growth in the future.

Clarigene™ SARS CoV-2 Test

The launch of our Clarigene™ SARS-CoV-2 test for research use last month is a significant step towards the launch of our CE marked product.

We remain on track to achieve CE marking for our test before the end of this month. Initial data has shown that the test shows competitive performance against other market leading products (i.e. 100% specificity) and has a quick turnaround time and low false negative results, given that the test only detects RNA and not amplified patient DNA. The CE-IVD version will have two viral targets and assay controls, making it more desirable from the reimbursement perspective across several European regions.

There is no doubt that there is a significant opportunity to drive sales of the Clarigene™ SARS-CoV-2 test and CE IVD kits, once approved. Recent collaborations with partners are in place to provide corporate partners and healthcare settings such as care homes and private GP practice with a fast and reliable COVID-19 lab testing service.

The next key news for shareholders on our progress in this area will be confirmation of CE Marking. We understand that the COVID-19 testing market is dynamic and, to a certain extent, unpredictable as a result. With this in mind, we will commit to updating shareholders on a quarterly basis on the commercial take-up of this product, and not based on unsupported speculation of what the future potential uptake might be.

Market forecasts for 2021 and beyond see our growth trajectory continuing and heralds a move towards full profitability in the near term. We remain confident that we can deliver against these forecasts and that both IONA Nx and our Clarigene products will be major contributors to this growth. There has never been a better time to be in this high growth molecular diagnostics market and I am really excited about the opportunities ahead for the Group.

Lyn Rees
Chief Executive Officer
27 July 2020

Continued progress towards a profitable business of scale

Income Statement

In the trading year revenues grew 87% to £16.6 million (2019: £8.9 million) due to organic growth, the April 2019 acquisition of Elucigene Diagnostics in the UK and the March 2020 acquisition of AGX-DPNI in France as described elsewhere in this report.

Gross profits grew 122% to £10.2m (2019: £4.6m) with gross margins increasing to 62% (2019: 52%). Gross margins benefited from the higher margin Elucigene product mix as well as an increasing proportion of revenues in our International geographic market. General administrative expenses increased to £9.0m (2019: £8.1m) in particular due to the enlarged operational capabilities acquired in the Elucigene business. We maintained research and development expenditure as we focused on the development of the new version of the IONA® test for the Illumina NGS platform.

We recorded our first adjusted EBITDA profit of £1.3 million (2019: £3.4 million loss). Adjusted EBITDA is measured as the operating loss before depreciation, amortisation, and separately disclosed items. Operating lease commitments are now classified as right of use assets and financial liabilities under IFRS16, which we have adopted for the first time (see note 2).

Separately Disclosed Items

Significant items within administrative expenses are shown separately in the Consolidated Statement of Comprehensive Income, with further details in note 5. These separately disclosed items include non-cash accounting charges for share-based payments which reflect the improved business performance (ie the likelihood of achieving performance targets) and the increases in the Company's share price in the second half of the reporting period. The costs of acquisitions and the associated integration expenses are also shown separately as non-trading expenses and for greater transparency. Note that the integration expenses are largely related to the acquisition of Elucigene Diagnostics in April 2019, and are largely offset in cash terms by renegotiated property leases and operational synergies realised which will flow through the Income Statement in future years.

Operating Loss

There is a resultant much-reduced operating loss after total administrative expenses of £3.2 million (2018: £4.8 million loss) driven by rising revenues and gross profits, whilst controlling administrative expenses and despite the significant non-cash separately disclosed items.

Finance Income/(Expenses)

During the period the Group incurred net finance expenses of £0.1m (2019: net finance income of £8.2m). The 2019 figure was principally due to a one-off restructured relationship with Life Technologies which involved a significant debt cancellation in February 2019 (see note 30).

Taxation and Foreign Exchange

The resulting loss on ordinary activities of £2.4m (2019: 3.4m profit) reflects a £0.9m tax credit which is described in note 12 and is primarily the recognition of a deferred tax asset from historic losses to offset the deferred tax liability arising on acquisition of Elucigene's intangible assets. There are still significant historic tax losses in the UK which have not yet been recognised which will help offset taxes arising on future anticipated profits.

The Group made a small gain of £0.1 million (2019: gain less than £0.1 million) on translation of its foreign subsidiaries and foreign currency balances to the presentational currency.

Total Comprehensive Loss

The Group recorded a total comprehensive loss of £2.3m (2019: profit of £3.4m).

Earnings per Share

Earnings per share were a loss of 0.4 pence (2019: earnings of 0.9 pence).

Statement of Financial Position

At the balance sheet date the Group had total assets of £37.7m (2019: £15.6m). Intangible assets and goodwill increased to £10.2m and £10.8m respectively (2019: £1.2m and £7.0m respectively) as a result of acquiring customer relationships and intellectual property with Elucigene Diagnostics and customer relationships with AGX-DPNI. Property, plant and equipment was stable at £2.0m (2019: £2.1m) with physical assets being maintained. The adoption of IFRS16 has led to the recognition of a right of use asset of £3.0m relating to the properties occupied by the Group in its various operating facilities and their renegotiated leases post the Elucigene acquisition.

Total current assets increased to £10.0m (2019: £5.3m) with rapid revenue growth leading to increased trade and other receivables and a smaller increase in inventories.

Total equity and liabilities increased to £37.7m (2019: £15.6m) due to the equity-based fundraising to support acquisitions, and due to the recognition of a £2.7m lease liability under IFRS16.

Statement of Cash Flows

The Group had an opening cash position of £1.3m (2019: £0.3m) and a net cash increase of £1.5m (2019: £1.0m). Cash and cash equivalents at the end of the period were £2.8m (2019: £1.3m). During the period the Group used £2.1m (2019: £4.0m) of cash in operating activities due to working capital movements arising from business growth. Cash used in investing activities was £9.0m (2019: £0.6m) reflecting acquisitions during the year, capital expenditure in the year and capitalisation of internally generated intangible assets.

Financing activities generated a surplus of £12.6m (2019: £5.6m) with equity fundraises in April 2019 and March 2020 to support the respective acquisitions of Elucigene Diagnostics and AGX-DPNI described in note 18.

As with all businesses at this early stage of development, the Board assesses carefully the Group's ability to operate as a going concern and has detailed plans for revenue growth, margin improvement and cash flow control which are intended to achieve positive cash flows in the near future. More detail on these plans can be found in the notes to the accounts.

Dividends

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

Capital Management

The Board's objective is to maintain a balance sheet that is both efficient at delivering long-term shareholder value and also safeguards the Group's financial position in light of variable economic cycles and the principal risks and uncertainties outlined in this report. As at 31 March 2020 the Group had net cash of £2.4m (2019: £1.0m) after borrowings of £0.4m (2019: £0.3m) but before lease liabilities arising under IFRS16 (with their offsetting Right of Use assets). Business growth and the increased scale achieved through the post-period Elucigene acquisition are expected to enable the Group to operate as a going concern for the foreseeable future.

Post-balance Sheet Events

In May 2020 warrants and share options were exercised generating proceeds of £0.8m. On 3 July the Group expanded its research services activities by acquiring a small UK company with capabilities in that area. The Group has also been contending with the global COVID-19 pandemic and has responded effectively despite some logistical disruption in the early stages of the pandemic and is now targeting commercial opportunities for COVID-19 testing for further risk mitigation.

Barry Hextall
Chief Financial Officer
27 July 2020

There are a number of risks and uncertainties associated with the Group's activities. The Board believes the following are the principal risks, along with the mitigation actions being pursued.

RISK	IMPACT	MITIGATION
Legal & Regulatory Risks		
Intellectual Property (IP) Litigation 	The life sciences industry is characterised by significant litigation from patent-holders and their licensees who try to erect legal barriers to entry via IP rights. Non-invasive prenatal testing, in particular, has seen a high level of activity in the USA, Europe and elsewhere, primarily involving Illumina Inc who have acquired or licensed IP in this sector.	In September 2018 the Group settled a long-running patent infringement dispute with Illumina in the UK and entered into a Licence and Supply Agreement covering the UK and other international territories where NIPT patents are granted. Since this agreement was signed the Group has been developing an updated version of its IONA® Test, which received CE-IVD certification in June 2020 and is being rolled out in the relevant territories.
Patents	The Group is focused on protecting its IP. To protect its key products the Group has secured and is seeking to secure patents. However, there remains the risk that the Group may face opposition from third parties to patents that it seeks to have granted. The Group also faces the risk of third parties infringing its IP. No such situations have arisen during the reporting period or since.	The Group engages reputable legal advisers to mitigate the risk of patent infringement and to advise on the protection of the Group's IP.
Changes in Legislation and Regulatory Regimes	Changes in laws, legislation and international relations affecting the diagnostics market could have a negative impact on the Group's business activities and consequently may have a detrimental effect upon the trading performance of the Group. The international diagnostics industry is highly regulated by governmental authorities across the world where the Group intends to market its products. No assurance can be given that the Group's products will successfully obtain any necessary regulatory approvals in these territories. In carrying out its activities the Group may also face contractual and statutory claims, or other types of claim from customers, suppliers, employees and/or investors. In addition, the Group is exposed to potential product liability risks that are inherent in the research, development, production and supply of its products.	The Group has implemented, and proactively manages, quality assurance and health and safety systems to meet regulatory requirements and to ensure ongoing compliance. During the reporting period the Group appointed a Director of Quality and Regulatory Affairs to further strengthen the Group's capabilities in this area. The Group also monitors closely the regulatory rules which apply to the Group's products in order to anticipate changes and ensure the Group's products are available for sale. The Group retains a suite of insurance policies to protect it from the most likely areas of claim, and undertakes risk management practices to minimise the number and size of claims arising.
Brexit 	The Brexit question has now been resolved but the timing and nature of Britain's exit from the EU still have significant uncertainty. The implications for the Group are equally unknowable at this time but could potentially affect the costs and effort associated with sales to the EU and purchases from it, the way in which CE marked product registrations are managed, the impact on indirect taxation and customs duties and Brexit-influenced exchange rate movements.	The Group has made significant preparations for a 'hard' Brexit scenario by changing its regulatory Notified Body to one based in the EU, and also through the acquisition of a French trading company which can act as a bridge into the EU's simplified VAT regime for example.
Market Risks		
Competition	The Group is in competition with other NIPT providers of services and products. There is a risk that they achieve greater than expected market penetration and/or continue with aggressive price discounting and bundling of NIPT with other genetic or clinical service offerings.	The Group's continuing product development, marketing activities and collaboration with NGS platform providers are designed to ensure that the IONA® Test remains at the forefront of the NIPT market. The acquisition of Elucigene and the product development pipeline also diversify the Group's product range.
Procurement	There is a risk that UK and international procurement practices may create market segments in which the Group is unable to effectively offer its products and services. Similarly, competitors may seek to influence procurement practices to the disadvantage of the Group.	The Group works with policymakers, trade organisations and legal advisers to monitor and influence any changes in such practices, and also to highlight areas where procurement practices may not be fair and transparent.

Increased risk  Decreased risk  No change

RISK	IMPACT	MITIGATION
Financial Risks		
Future Funding Requirements 	The Group may need to raise additional funding to continue to invest in the activities of the Group. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, shareholders.	To manage this risk the Group is actively building its revenue generating capabilities and monitors its cash flow requirements closely. Activities are adjusted according to available funding through its periodic business planning process to control cash consumption, whilst maintaining a dialogue with potential future funders. The fundraise concluded in April 2019 and March 2020 alongside the Elucigene and France acquisitions respectively providing significant funding runway as the Group nears self-sufficiency in operating cash flows.
Third-party Reimbursement	The Group may be adversely affected by third-party reimbursement decisions. The Group may not be able to sell its products profitably if reimbursement from these sources is unavailable or limited. Third-party payers are increasingly attempting to contain costs through measures that could impact the Group's NIPT products, including challenging the prices charged for products and services, limiting both coverage and the amount of reimbursement for new diagnostics' products and services, and denying or limiting coverage for products that are approved by the regulatory agencies but are considered experimental by third-party payers.	The Group proactively engages with the clinical community to align its product offering with the best current medical requirements in order to ensure its commercial model is supported by reimbursement regimes as they reach their decisions on NIPT screening in the coming years. To date, reimbursement has been more of an opportunity than a risk as coverage increases NIPT testing volumes.
Operational Risks		
Dependence on Key Personnel 	The Group has a global leadership team and the future success of the Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Board and key management. However, the retention of such key personnel cannot be guaranteed. The loss of any key personnel, or the inability to attract appropriate personnel could materially adversely impact the Group's business, prospects, financial condition or results of operations.	The Group provides attractive remuneration incentives, including share options, and endeavours to maintain an empowering culture to encourage retention of key individuals, as well as recruiting suitable deputies over time. The acquisition of Elucigene has also strengthened the breadth and depth of leadership within the Group.
Technology 	Technologies used within the diagnostics marketplace are constantly evolving and improving. Therefore there is a risk that the Group's products may become outdated as improvements in technology are made.	The Group has a research and development function which seeks to keep up with the latest developments in the genetic-testing sector. The acquisition of Elucigene adds PCR-based products to spread this technological risk, deepen the Group's R&D capabilities and extend the Group's access to insights into how international markets are evolving.
Contracts	There can be no certainty that third parties will perform, or be able to perform, their obligations under various contracts with the Group or that the Group will be able to recover damages for breach of contract. The insolvency of third parties or their default under the terms of such contracts could have a material adverse effect on the Group and its operations.	The Group monitors its contractual commitments and outstanding exposures closely, supplier strength and outstanding debtor exposures closely, developing specific plans where the potential impacts would be significant.
COVID-19 	The global pandemic of COVID-19 created significant operating risks to all businesses towards the end of this reporting period and into the new financial year. Risks include the inability for staff to access Group facilities, for ill-health to reduce the available capacity in the business, for products to be shipped to new and existing customers, for suppliers to maintain supply of critical raw materials and for staff to travel to support existing and potential accounts or engage in business development activities. Customers are diagnostic laboratory groups who may be affected by diverting resources towards COVID-19 testing activities and away from the Group's core product portfolio.	The Group's IT infrastructure is primarily cloud-based which enabled the business to move to remote working for all but laboratory-based staff very efficiently. Laboratory safety protocols have been implemented to minimise the risks of infection, and thankfully the Group's employees have not been significantly affected. Some supply difficulties have been caused by international lockdowns but close management of the situation by a senior 'COBRA' committee has ensured the business has been able to continue to trade effectively throughout the pandemic. To offset potential demand weakness where customers are diverted to COVID-19 testing, the Group has launched its own testing service and announced in June 2020 the launch of Clarigene™, its own testing product. It has also partnered with other organisations in the global pandemic response.

Increased risk  Decreased risk  No change

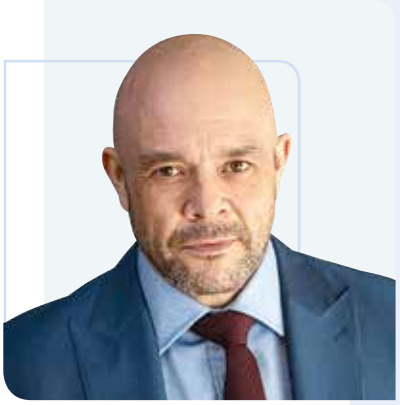
Adam Reynolds
Non-executive Chairman

Dr Stephen Little
Vice Chairman

Dr John Brown
Senior Independent Director

Nicholas Mustoe
Non-executive Director

Jonathan Seaton
Non-executive Director



Lyn Rees
Chief Executive Officer

Dr Bill Chang
Chief Scientific Officer

Barry Hextall
Chief Financial Officer

Hayden Jeffreys
Chief Operating Officer

Adam Reynolds
Non-executive Chairman

Adam began his career as a stockbroker and established his own PR/IR and Corporate Finance firm, Hansard Group Plc which sold in 2004. In 2005, Adam became Executive Chairman of International Brand Licensing Plc, today it is known as EKF Diagnostics Plc. Adam is a Non-executive Director and a substantial shareholder of EKF Diagnostics Plc and is Non-executive Chairman of Concepta Plc and Optibiotix Plc. Adam is a Non-executive Director of online fashion giant Sosandar. Adam has been named as one of the fifty most influential people in the City by Growth Company Investor. Adam chairs the combined Nominations and Remuneration Committee and is a member of the Audit Committee at Yourgene Health.

Dr Stephen Little
Vice Chairman

Stephen is a successful serial biotechnology entrepreneur. He is the former CEO of DxS, an innovator in the field of personalised medicine. DxS was funded with £3.5 million in 2001 and was sold to QIAGEN BV in 2009 for £85 million. DxS pioneered the use of molecular diagnostic tests such as KRAS and EGFR to predict the use of novel cancer therapies. At QIAGEN Stephen became VP of Personalised Healthcare, responsible for developing companion diagnostic partnerships with the pharma industry. Prior to this he spent 20 years in various senior positions in the diagnostic divisions of Astra Zeneca and ICI.

Dr John Brown
Senior Independent Director

John has over 20 years' capital markets experience in the healthcare and life sciences sector. He is currently a Senior Independent Director of BioCity and Acacia Pharma and is Chairman of the Cell and Gene Therapy Catapult and Synpromics. Additionally, he has previous significant board experience with roles including Chairman of Axis-Shield, Chairman of BTG, Non-executive Director of Vectura and Chief Executive Officer of Acambis. John is a member of the Nominations/Remuneration and Audit Committees at Yourgene Health.

Nicholas Mustoe
Non-executive Director

Nick started his career in London in advertising agency Foote Cone and Belding and at Lowe Howard Spink, before establishing his own agency, Mustoes Merriman Levy (Mustoes). In 2008 Mustoes merged with a leading PR agency Geronimo to form Kindred, the first fully integrated PR & Advertising agency. Nick subsequently led an MBO of Kindred in 2010. He is currently Chairman of charity Starlight Children's Foundation and Chairman of Big Sofa Technology Plc, as well as a Non-executive Director of Hub Capital. Nick is a member of the Nominations/Remuneration and chairs the Audit Committee at Yourgene Health.

Jonathan Seaton
Non-executive Director

Jonathan has extensive experience working for leading global life sciences and diagnostic companies having worked on > 40 merger and acquisition transactions. At Roche Diagnostics he held the position of Vice Director, Global Business Development, advising leading merger and acquisition activity and strategic partnerships. Jonathan also held key strategic roles as a healthcare investment banker at Deutsche Bank Securities, a strategic senior role at Becton, Dickinson and Company and Head of Corporate and Business Development and Government Affairs at Illumina.

Lyn Rees
Chief Executive Officer

Lyn is a seasoned executive in global healthcare and IVD markets. Prior to joining Yourgene Health, Lyn was Group CEO at the BBI Group for over 9 years. Lyn has completed 7 acquisitions during his tenure at BBI Group, all of which have been successfully integrated. He founded BBI Detection and BBI Animal Health and has demonstrated a strong track record of organic and acquisitive growth. Before this role, he spent several years as the Managing Director and founder of BBI Healthcare. He first began his business career as the European Marketing Manager at Shimano Europe BV.

Dr Bill Chang
Chief Scientific Officer

Bill is the Founder of Yourgene Bioscience in Taipei which he was CEO for several years before it was acquired by Yourgene Health. Bill's first role after his PhD was with Academia Sinica in 2007 as a research specialist and he established the bioinformatics core facility at the Institute of Plant and Microbial Biology. He co-founded Sofiva Genomics in 2012 to provide prenatal genetic testing services. Bill has a PhD and is now also an Honorary Fellow at the Faculty of Veterinary Science, University of Melbourne. Bill actively presents technical results at many international conferences.

Barry Hextall
Chief Financial Officer

Barry is a Chartered Management Accountant with over 25 years' experience in senior financial roles, including with international AIM-listed organisations. He has managed many businesses through major changes and rapid growth, and has significant experience working in the global medical devices and *in vitro* diagnostic sectors. His previous employers include Immunodiagnostic Systems plc, JRI Orthopaedics Ltd, C J Garland & Co Ltd, Ernst & Young LLP and Zeneca plc (originally ICI). Barry holds a Diploma in Company Direction from the IoD, and an MBA from Cranfield School of Management.

Hayden Jeffreys
Chief Operating Officer

Hayden has over 20 years' experience in the clinical diagnostics industry and he has a proven track record of formulating and implementing commercial strategy and driving the next stage of global growth for businesses. Prior to joining Yourgene Health, Hayden was Chief Operating Officer at Cambridge Epigenetix. Hayden has also held several international senior positions within the ERBA group, CEO and Head of Corporate Business Development and Strategy. Hayden received a MSc in Management Studies from the University of Oxford.

The Board recognises the importance of sound corporate governance and has elected to implement the Corporate Governance Code for Small and Mid-Size Quoted Companies, as published by the Quoted Companies Alliance (the QCA Code), to the extent it is considered appropriate in light of the Group's size, stage of development, risk profile and resources. The Company is also subject to the UK City Code on Takeovers and Mergers. Further information on the Group's governance practices, the business model and strategy can be found in the Company Overview, Strategic Report and Governance sections in this Annual Report and Accounts.

This Governance Statement was last reviewed and updated on 22 July 2020.

Strategy and Business Model (QCA Principle 1)

Yourgene develops molecular diagnostic products and services that will have a positive impact on human health and deliver long-term shareholder value. The Group has a clear strategy to increase penetration of sales in the markets in which it operates, to expand the geographic markets in which it operates and to launch new products and services into these markets. This strategy is being driven organically, and through acquisitions where target companies are found which support one or more of these four strategic 'pillars'.

The Group is currently focused on delivering high-quality reproductive health screening products and services to support a growing international customer base of laboratories and healthcare professionals. The Group provides customers with further clinical and research genetic testing services across different fields such as oncology, predominantly from Taiwan. Yourgene has also established a contract development partnership programme for customers, building on our expertise in developing *in vitro* diagnostic products. In June 2020, Yourgene also launched its first infectious disease product which is a COVID-19 diagnostic test, Clarigene™ and at the same time launched an in-house COVID-19 testing service.

The IONA® Test is a CE-IVD marked test for prenatal screening which enables clinical laboratories around the world to establish their own quality assured non-invasive prenatal screening service. In other regions we offer the Sage™ Prenatal Screen which provides a greater clinical depth of data that is reported and allows labs and clinics greater flexibility with the analysis work package. By having these two complementary prenatal screening solutions we meet a wider scope of customer and market needs. The Group continues to expand the range of *in vitro* diagnostic products into different fields as demonstrated by the April 2019 acquisition of Elucigene Diagnostics and its product portfolio. The Group also invested in stronger penetration of the French market through the acquisition of its French distribution business in March 2020.

The Group also has two clinical laboratories running high throughput services in Manchester, UK and Taipei, Taiwan. Both service labs offer an NIPT provision where customer clinicians will send blood samples for analysis with the IONA® Test and Sage™ prenatal screen. New laboratory customers will often use the service lab during the installation and training phase where they need to begin their NIPT offering as soon as possible. In addition, the Taipei laboratory offers a range of both research and clinical genetic testing for a range of cancer screening tests including breast, lung and colon cancer and other non-oncology tests.

Meeting Shareholder Needs (QCA Principle 2)

The Company places a great deal of importance on communicating with its shareholders. All shareholders are given at least 21 days' notice of the Annual General Meeting and are encouraged to attend. An opportunity is provided for them to ask questions at the meeting.

Throughout the year the Chairman, Chief Executive Officer and Chief Financial Officer are in regular contact with the Company's major investors and respond to queries from private investors through an investor contact email or via the Company's financial PR firm, Walbrook PR. The CEO is responsible for ensuring that shareholders' views are communicated to the Board as a whole. The Group appointed Stifel Nicolaus in April 2019 to act as sole broker to the Company, to further improve the quality and quantity of investor relations activities.

Manage our Responsibilities to Wider Stakeholders (QCA Principle 3)

We take seriously our responsibilities to our staff, trading partners, neighbours, the clinical, research and laboratory communities we supply and the pregnant and patient populations we support. We operate a high standard of quality management to ensure we comply with the appropriate regulations in the various territories in which we operate, and that we thoroughly investigate any occurrences which fall below our high standards so we can implement corrective and improvement actions.

Family-friendly and flexible employee policies, rigorous health, safety and environmental practices are very important additions to the quality management system in ensuring we manage our stakeholder and social responsibilities appropriately.

Risk Management (QCA Principle 4)

The environment in which we operate presents certain general risks as well as particular risks that are specific to our own circumstances. The Board monitors the key legal, regulatory, market, financial and operational risk areas to identify relevant risks, assess their potential impact and to develop mitigation strategies that will enable the Group to flourish. Principal risks and uncertainties are described in the appropriate section in this Annual Report and Accounts and are set out below.

The Audit Committee monitors key risks and is responsible for:

- reviewing the Company's external reporting process, including the financial statements, reports and announcements and the accounting policies and judgements that underline them, and making recommendations to the Board before release;
- monitoring the statutory audit of the annual accounts; and
- monitoring of the independence of the external auditors and the establishment of a policy for their use for non-audit work.

Maintain a Well-functioning Board (QCA Principle 5)

The Chairman has considerable experience of Boards operating in the AIM environment and ensures the Board has an appropriate composition of skills. With the appointment of two new non-executive Directors in July / August 2019 the Company has moved closer to meeting the QCA guidance of more non-executives than executives. The Board now comprises four Non-executive Directors, four Executive Directors and a Vice Chairman who is partly Non-executive and partly Executive.

The role of the Board

The Directors collectively bring a broad range of business experience to the Board which is considered essential for the effective management of the Company. The Board is responsible for strategic and major operational issues affecting the Company. It reviews financial performance, regulatory compliance, monitors key performance indicators and will consider any matters of significance to the Company, including corporate activity. Certain matters can only be decided by the Board and these are contained in the schedule of matters reserved to the Board. The day-to-day management of the Company's business is delegated to the Chief Executive Officer and Executive Directors of the Company. During the reporting period the Board held eight meetings and there were three Audit Committee meetings. All Directors eligible to participate attended all meetings.

The composition of the Board and division of responsibilities

The Board currently consists of a Non-executive Chairman, a Vice Chairman, two Non-executive Directors, a Chief Executive Officer and three other Executive Directors. The composition of the Board ensures that no single individual or group of individuals is able to dominate the decision-making process. Board composition remains under review going forward to move towards QCA compliance. Details of the individual Directors and their biographies are set out in this Annual Report and Accounts and on the website www.yourgene-health.com

Roles of Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate to ensure a clear division of authority and responsibility at the most senior level within the Company.

Ensure Directors have Necessary, Up-to-date Skills (QCA Principle 6)

Directors are provided with access to the Company's Nominated Adviser and Corporate lawyers who provide briefings on necessary legislation and regulations from time to time. Directors are supported if required to ensure their skills remain up to date, including training and continuing professional development and participation in peer networks via the Institute of Directors, the Quoted Companies Alliance and external advisers.

Evaluate Board Performance (QCA Principle 7)

The Board to date has operated an informal performance review and succession planning process but is committed to implementing formal procedures. The focus is currently on psychometric profiling and performance management of the senior management team which may be extended to the Board in due course.

Promote a Value-based Corporate Culture (QCA Principle 8)

The Board sets great store by its values-based corporate culture and ethical reputation which is crucial to the Group's reputation in the highly regulated field in which it operates. The Company manages a highly regarded quality management system which is used to monitor any complaints or deviations from expected behaviours. The Board monitors any significant non-compliance matters that may arise. In addition, ethical considerations are factored into debates on Board matters as and when this is relevant. Recruitment practices are heavily focused on recruiting people with similarly strong values, and the Group's senior management team are currently re-evaluating the values, behaviours and communication practices to ensure they remain fit-for-purpose as the Group continues to expand.

Maintain Fit-for-purpose Governance Structures (QCA Principle 9)

The Company has adopted and operates a share-dealing code governing the share dealings of the Directors and applicable employees to ensure compliance with the AIM Rules.

Chairman: the Chairman is responsible for the leadership of the Board and ensuring the effective running and management of the Board. He is also responsible for the Board's oversight of the Company's affairs, which includes ensuring that the Directors receive accurate, timely and clear information, ensuring the effective contribution of the Non-executive Directors and implementing effective communication with shareholders.

Chief Executive Officer: the Chief Executive Officer is responsible for the day-to-day management and the executive leadership of the business. His other responsibilities include the progress and development of objectives for the Company, managing the Company's risk exposure, implementing the decisions of the Board and ensuring effective communication with shareholders and regulatory bodies.

Non-executive Directors and independence: Non-executive Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively. The Board considers the Non-executive Directors to be sufficiently independent to provide appropriate oversight and scrutiny.

Re-election of Directors: in accordance with the Company's Articles of Association all serving Directors are subject to re-election every three years, and a minimum of one-third of Directors are subject to re-election each year. Newly appointed Directors are re-elected at the first Annual General Meeting after their appointment.

Board meetings and information to the Directors: before each Board meeting the Directors receive, on a timely basis, comprehensive papers and reports on the issues to be discussed at the meeting. In addition to Board papers, Directors are provided with relevant information between meetings. The Board has regular scheduled meetings which occur at least quarterly and often monthly.

Board committees and Senior Independent Director

The Board has two committees, namely the Audit Committee and a combined Nominations and Remuneration Committee. In addition, it has identified a Senior Independent Director (SID).

Audit Committee: the Audit Committee is chaired by Nicholas Mustoe with Adam Reynolds and Dr John Brown as members.

Nominations and Remuneration Committee: due to the size of the Board and the infrequency of senior appointments these two committees have been merged. The Committee has delegated responsibility from the Board for identifying and appointing Executive Directors, and for developing the remuneration policy of the Company and for setting the remuneration of its Executive Directors and senior managers. Adam Reynolds chairs the Committee which is also attended by Nick Mustoe and Dr John Brown. The Committee's activities were reported to the Board throughout the period.

Senior Independent Director: Nick Mustoe fulfilled the duties of the Senior Independent Director until the appointment of Dr John Brown who then assumed the SID role from July 2019. The Senior Independent Director provides an alternative contact point for Directors and shareholders for matters where they do not wish to approach the Chairman directly.

Communicate Governance and Performance with Shareholders (QCA Principle 10)

The Board communicates regularly with shareholders providing updates on Group performance to shareholders via interim and annual financial reports, trading updates, investor presentations and a regular news flow of significant developments for the Group. Governance practices are described fully in this Annual Report and Accounts and the Company's website is maintained to be up-to-date and informative.

The enhanced Audit Report in these accounts is representative of the Audit Committee's focus areas.

Adam Reynolds
Chairman
27 July 2020

The Corporate Governance Statement set out on pages 32 and 33 forms part of this report.

Results and Dividends

The results for the year are set out on page 42.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Adam Reynolds
Dr Stephen Little
Dr John Brown CBE (appointed 29 July 2019)
Nicholas Mustoe
Jonathan Seaton (appointed 15 August 2019)
Lyn Rees
Dr Bill Chang
Barry Hextall
Hayden Jeffreys
Keng Hsu (resigned 10 July 2019)

Directors' Beneficial Interests and Share Options

Details of Directors' beneficial interests in the issued share capital of the Company as at 31 March 2020 were as follows (and see also note 9):

	Ordinary shares of £0.01 each	Percentage held
Adam Reynolds	5,449,656	1.2%
Nicholas Mustoe	8,186,869	1.8%
Dr John Brown (appointed 29 July 2019)	100,000	0.0%
Jonathan Seaton (appointed 15 August 2019)	0	0.0%
Dr Stephen Little	6,278,283	1.4%
Lyn Rees	500,000	0.1%
Dr Bill Chang	74,855,996	16.3%
Keng Hsu (resigned 9 July 2019)	4,002,729	0.9%
Hayden Jeffreys	389,372	0.1%
Barry Hextall	432,498	0.1%

Details of Directors' share options are as follows:

	At 1 April 2019	At 31 March 2020	Date from which exercisable	Expiry date
Adam Reynolds	591,666	591,666	19/03/2018	19/03/2024
Nicholas Mustoe	591,666	591,666	19/03/2018	19/03/2024
Dr Stephen Little	1,500,000	1,500,000	14/07/2017	14/07/2025
	10,555,984	10,555,984	04/09/2016	05/09/2024
	1,700,000	1,700,000	01/07/2019	30/06/2028
Jonathan Seaton (appointed 15 August 2019)	0	1,500,000	01/07/2020	30/10/2029
Lyn Rees	10,000,000	10,000,000	01/07/2019	30/06/2028
		4,000,000	01/07/2020	01/06/2029
Dr Bill Chang	300,000	300,000	31/03/2019	01/03/2027
	400,000	400,000	01/07/2019	30/06/2028
		400,000	01/07/2020	01/06/2019
Barry Hextall	1,000,000	1,000,000	14/07/2017	14/07/2025
	4,000,000	4,000,000	01/07/2019	30/06/2028
		400,000	01/07/2019	01/06/2029
Keng Hsu (resigned 9 July 2019)	250,000	250,000	31/03/2019	01/03/2027
	3,300,000	3,300,000	01/07/2019	30/06/2028
Hayden Jeffreys	3,000,000	3,000,000	01/07/2019	30/06/2028
		2,400,000	01/07/2019	01/06/2019

Qualifying Third-party Indemnity Provisions

The Group has arranged qualifying third-party indemnity for Directors and Officers Liability insurance for the sum of £5 million.

Stakeholder responsibility

In line with Section 172(1) of the Companies Act 2006 we are pleased to describe the ways we engage with stakeholders to both fulfil our obligations and achieve our vision. These are described in various parts of our Strategic Report.

Supplier Payment Policy

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

Principal Activities, Trading Review and Future Developments

A detailed review of the business, post reporting date events and likely future developments is given in the Strategic Report on pages 4 to 29.

Key Performance Indicators

The key performance indicators are discussed in the Company Overview on page pages 1 to 3.

Financial Instruments

Details and required disclosure of the financial instruments used by the Group are contained in notes 24 and 25 of the financial statements.

Auditor

Saffery Champness LLP were re-appointed at the Group's Annual General Meeting in September 2019 and in accordance with the Company's articles, a resolution proposing that Saffery Champness LLP be reappointed as auditor of the Company will be put at a General Meeting.

Events After the Reporting Date

Significant events that have occurred since the reporting date are described in the Strategic Report on page 21 and within note 34 of these financial statements.

Risks and Uncertainties

The principal risks and uncertainties facing the Group are discussed in the principal risks and uncertainties section of this report on pages 28 and 29.

Donations and Political Contributions

The Group made no donations or political contributions in the current or prior periods.

Going Concern

In their assessment of the Group's ability to continue as a going concern, the Directors have focused on the implications of the organic growth of the existing business plus the in-year acquisitions of the profitable Elucigene Diagnostics in April 2019, and the profit-enhancing customer relationships acquired in March 2020 from the Group's French distributor AdGeniX SarL. For the enlarged Group the Directors have assessed the market dynamics in which it operates, the historic and anticipated rate of growth of gross profits, decisions available to them for management of the cost base of the Group and the potential for future fundraising.

The Group operates a strategic planning process which has delivered strong progress on its ambitious multi-year business plan.

As described in the Strategic Report, the Group has made progress towards achieving positive cash flows through growth in revenues since launching the IONA® Test in February 2015, acquiring Yourgene Bioscience in March 2017, acquiring Elucigene Diagnostics (Elucigene) in April 2019 and acquiring the customer relationships of its French distributor in March 2020. The Group has reported a positive adjusted EBITDA for the first time, however, it continues to use cash in its trading operations albeit at a much-reduced level; which reflects that break-even levels of revenues have not yet been reached. The Group's forecasts include assumptions of further growth in revenue, which are key in achieving positive cash flows. The Directors have also assessed the Group's cost structure as part of the strategic planning process and are investing in a scalability programme aimed at ensuring costs growth can be contained below gross profit increases.

There is an ongoing commitment to keep costs and working capital under control so that increasing gross profits can drive positive cash flows. Detailed sensitivity analysis has been performed to assess the potential impact on the Group's liquidity caused by delays in revenue growth against expected levels along with potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending. These sensitivities have been applied more aggressively this year in light of the COVID-19 pandemic, although to mitigate its potential negative impacts the Group is generating revenues through its contract manufacturing services, the development of its own COVID-19 diagnostic product (launched June 2020) and launching its own COVID-19 testing services (July 2020).

If events transpire differently to this assessment, for example, if revenues fail to grow at the anticipated pace, then there could be lower cash headroom. Given the successful fundraise which took place alongside the acquisitions of Elucigene and the French customer relationships, the Directors believe there is sufficient cash available to avoid a cash shortfall.

The Directors have concluded that considering the circumstances described above and mitigation strategies in place, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Substantial Shareholdings

As at 27 July 2020, the following interests in 3% or more of the issued ordinary share capital appear in the register:

	Number of shares	Percentage of issued share capital
Dr Bill Chang	79,490,142	12.7%
Mr Steven Myers	54,500,000	8.7%
BGF	49,872,761	8.0%
Life Technologies Ltd	41,356,165	6.6%

This report was approved by the Board of Directors on 27 July 2020 and signed on its behalf by:

Adam Reynolds
Chairman
27 July 2020

The Directors are responsible for preparing the Strategic Report and 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 to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 101 'Reduced disclosure framework'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the consolidated financial statements state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

This statement was approved by the Board of Directors on 27 July 2020 and signed on its behalf by:

Adam Reynolds
Chairman
27 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOURGENE HEALTH PLC

Opinion

We have audited the financial statements of Yourgene Health Plc ('the Company') and its subsidiaries ('the Group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2020 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Delta Diagnostics (UK) Limited During the period the Group acquired 100% of the shares of Delta Diagnostics (UK) Limited, a UK company which trades as Elucigene Diagnostics, for £9.3m satisfied by an issue of shares of £3.0m and cash consideration of £6.3m. The transaction was considered by the Directors to represent a business combination under IFRS 3 and a fair value review exercise was performed in respect of the assets and liabilities acquired. That led to the recognition of £5.4m of customer relationships and development work on certain diagnostic products in intangible assets that were not previously recorded in the Delta Diagnostics (UK) Limited statement of financial position. Goodwill of £3.8m, being the difference between the fair value of identifiable net assets and the consideration, was also recognised as a result of the transaction. Due to the significance of the transaction to the Group, the accounting treatment of the acquisition is a key audit matter.	Our audit procedures included the following: • Obtaining and reviewing the underlying Share Purchase Agreement governing the terms of the acquisition; • Testing the contractual cash and share consideration to bank payment and share issue documents; • Obtaining management's assessment of the fair values of assets and liabilities acquired; • Reviewing the basis upon which the value of customer relationships and development work on diagnostic products was determined; • Reviewing the mathematical accuracy of models used to determine the fair value of newly identified intangible assets; • Understanding the basis for the useful life of newly identified intangible assets and the allocation of newly generated goodwill for impairment purposes; and • Reviewing the cut-off of post-acquisition results for consolidation purposes. Based on our procedures, we noted no material exceptions and considered management's key assumptions to be within reasonable ranges. We consider that the acquisition has been recognised appropriately.

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessments of goodwill and other intangible assets The Group held intangibles assets with a carrying value of £21.0m, comprising goodwill of £10.8m and other intangible assets of £10.2m. There were significant additions of £13.4m during the year arising from the Delta Diagnostics (UK) Limited acquisition £9.2m as well as the purchase of intangible assets held in AGX-DPNI SAS £1.5m. Brought forward intangibles relate to the 2017 acquisition of the Group's subsidiary in Taiwan. At the reporting date of 31 March 2020, the Covid-19 pandemic was a growing global crisis and world stock markets had significantly fallen in value. Due to the material additions in the year, the overall significance of intangible assets on the Statement of Financial Position and the risks of impairment resulting from circumstances in the local and global economy, the risk of impairment of intangible assets was considered a key audit matter.	Our audit procedures included the following: • Reviewing and challenging the cashflow forecasts produced for goodwill and intangible impairment assessment models; • Evaluating and challenging the key judgements applied in forecast models such as the revenue growth rate, the discount rate, the gross margins achieved and the time period over which forecast cash flows are appropriate; • Understanding the basis and rationale for the forecast growth in certain products and geographies; • Assessing the Directors' assessment for the allocation of goodwill to CGUs and reviewing potential impairment on that basis; • Reperforming amortisation calculations and assessing the judgement applied in assessing useful economic lives; and • Challenging the basis for the treatment of the acquisition of AGX-APNI SAS as an asset acquisition and assessing the supporting evidence for the estimation of contingent consideration for that acquisition. Based on our procedures, we noted no material exceptions and considered the accounting and disclosure associated with this audit matter to be within reasonable ranges.
Deferred tax The Group has significant accumulated tax losses that have not previously been recognised as a deferred tax asset. An asset of £0.9m has been recognised for losses expected to reverse in Yourgene Health UK Ltd. As the Group grows and develops to profitability, more of the tax losses will be recognised that are expected to be utilised in the foreseeable future. This is a key audit matter as the amounts are significant and the area is judgemental.	Our audit procedures included the following: • Reviewing the deferred tax calculations prepared by the directors; • Considering the forecasts presented in impairment calculations and comparing to those used in deferred tax calculations; and • Challenging the directors on the assumptions adopted. We concluded that the deferred tax asset presented was fair and reasonable.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our audit opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

We have determined a materiality of £160,000 for both the Group and Company financial statements. This is based on 1% of revenue per draft financial information at the planning stage. A separate performance materiality was applied to transactions with Directors and related parties.

An overview of the scope of our audit

We tailored the scope of our audit work to ensure we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditors we carried out the audit of the Company financial statements and, in accordance with ISA (UK) 600, obtained sufficient evidence regarding the audit of the Group's material Taiwan subsidiary, Yourgene Health (Taiwan) Co. Ltd. We also performed a full scope audit of the Group's UK subsidiaries Yourgene Health UK Limited and Delta Diagnostics (UK) Limited. These subsidiaries were deemed to be significant to the Group financial statements due to their size. The Group audit team directed, supervised and reviewed the work of the component auditors in Taiwan, which involved issuing detailed instructions, holding discussions with component audit teams and performing a review of selected key working papers. Audit work in Taiwan was performed at materiality levels of £44,000, lower than Group materiality.

Although not considered a significant component of the Group, we also made enquiries of the work performed by the auditors of the Group's Singaporean subsidiary Yourgene Health (Singapore) Pte Limited. We also performed targeted audit work on the French subsidiary AGX-DPNI SAS.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 36, 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.

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.

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.

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.

Simon Kite (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

City Tower
Piccadilly Plaza
Manchester
M1 4BT

27 July 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Revenue			**16,612,779**		8,882,362
Cost of sales			**(6,387,837)**		(4,271,941)
Gross profit			**10,224,942**		4,610,421
Other operating income			**67,530**		25,821
Administrative expenses					
General administrative expenses			**(9,037,761)**		(8,067,988)
Adjusted EBITDA			**1,254,711**		(3,431,746)
Depreciation and amortisation	6	**(2,093,808)**		(1,099,756)	
Share-based payments expense	5	**(1,601,746)**		(251,004)	
Costs associated with subsidiary acquisition	5	**(264,666)**		–	
Acquisition integration expense	5	**(533,358)**		–	
Total Depreciation, Amortisation and separately disclosed items			**(4,493,578)**		(1,350,760)
Operating loss	6		**(3,238,867)**		(4,782,506)
Financing income	10		**19,960**		9,381,761
Financing expenses	11		**(163,203)**		(1,209,554)
Profit (Loss) on ordinary activities before taxation			**(3,382,110)**		3,389,701
Tax credit / (charge) on loss on ordinary activities	12		**948,186**		(491)
Profit (Loss) for the year			**(2,433,924)**		3,389,210
Other comprehensive Income					
Exchange translation differences			**139,773**		31,563
Profit (Loss) and total comprehensive profit (loss) for the Year			**(2,294,151)**		3,420,773
Earnings per share	13				
Basic: Profit (Loss)			**(0.4p)**		0.9p
Diluted: Profit (Loss)			**(0.4p)**		0.9p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Assets			
Non-current assets			
Goodwill	14	**10,805,783**	7,014,447
Intangible assets	14	**10,191,889**	1,228,928
Property, plant and equipment	15	**1,969,305**	2,054,163
Right-of-use asset	16	**2,996,753**	–
Tax asset	23	**532,691**	–
Deferred tax asset	23	**1,181,039**	–
Total non-current assets		**27,677,460**	10,297,538
Current assets			
Inventories	17	**1,152,308**	739,126
Trade and other receivables	19	**5,629,287**	2,832,695
Tax asset	23	**452,485**	478,232
Deferred tax asset	23	**–**	–
Cash and cash equivalents		**2,764,117**	1,250,362
Total current assets		**9,998,197**	5,300,415
Total assets		**37,675,657**	15,597,953
Equity and liabilities attributable to equity holders of the company			
Equity			
Called up share capital	28	**32,561,451**	32,403,969
Share premium account	28	**51,179,685**	37,971,265
Merger relief reserve	28	**12,937,796**	10,012,644
Reverse acquisition reserve	28	**(39,947,033)**	(39,947,033)
Foreign exchange translation reserve	28	**(8,124)**	(147,897)
Warrants reserve	28	**3,069,382**	3,069,382
Retained losses	28	**(33,494,558)**	(32,662,380)
Total equity		**26,298,599**	10,699,950
Current liabilities			
Trade and other payables	20	**4,907,813**	4,172,464
Lease Liabilities	16	**341,167**	–
Current tax liabilities		**433,337**	–
Borrowings	21	**277,508**	76,388
Other Liabilities & Provisions	22	**512,555**	–
Total current liabilities		**6,472,380**	4,248,852
Non-current liabilities			
Borrowings	21	**85,110**	209,302
Deferred tax liability	23	**1,153,121**	233,496
Lease Liabilities	16	**2,710,123**	–
Other Long Term Liabilities & Provisions	22	**956,324**	206,353
Total non-current liabilities		**4,904,678**	649,151
Total equity and liabilities		**37,675,657**	15,597,953

The financial statements were approved and signed by the Directors and authorised for issue on 27 July 2020.

Adam Reynolds
Chairman
Company Registration No. 03971582

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

	Notes	Share capital £	Share premium account £	Merger relief reserve £	Warrants reserve £	Reverse acquisition reserve £	Foreign exchange reserve £	Retained losses £	Total £
Balance at 1 April 2018		32,266,188	28,482,061	10,012,644	4,085,546	(39,947,033)	(179,460)	(37,318,758)	(2,598,812)
Year ended 31 March 2019:									
Profit (Loss) for the year		–	–	–	–	–	–	3,389,210	3,389,210
Other comprehensive loss		–	–	–	–	–	31,563	–	31,563
Total comprehensive profit for the year		–	–	–	–	–	31,563	3,389,210	3,420,773
Transactions with owners									
Issue of share capital	28	137,781	9,716,143	–	–	–	–	–	9,853,924
Share issue expenses		–	(226,939)	–	–	–	–	–	(226,939)
Share-based payments	29	–	–	–	–	–	–	251,004	251,004
Warrants exercised	30	–	–	–	(1,016,164)	–	–	1,016,164	–
Total transactions with owners		137,781	9,489,204	–	(1,016,164)	–	–	1,267,168	9,877,989
Balance at 31 March 2019		32,403,969	37,971,265	10,012,644	3,069,382	(39,947,033)	(147,897)	(32,662,380)	10,699,950
Balance at 1 April 2019		32,403,969	37,971,265	10,012,644	3,069,382	(39,947,033)	(147,897)	(32,662,380)	10,699,950
Year ended 31 March 2020:									
Profit (Loss) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**(2,433,924)**	**(2,433,924)**
Other comprehensive loss		**–**	**–**	**–**	**–**	**–**	**139,773**	**–**	**139,773**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**–**	**139,773**	**(2,433,924)**	**(2,294,151)**
Transactions with owners									
Issue of share capital	28	**132,901**	**14,197,534**	**–**	**–**	**–**	**–**	**–**	**14,330,435**
Share issue expenses		**–**	**(989,114)**	**–**	**–**	**–**	**–**	**–**	**(989,114)**
Issue of share capital on acquisition		**24,581**	**–**	**2,925,152**	**–**	**–**	**–**	**–**	**2,949,733**
Share-based payments	29	**–**	**–**	**–**	**–**	**–**	**–**	**1,601,746**	**1,601,746**
Warrants issued	30	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total transactions with owners		**157,482**	**13,208,420**	**2,925,152**	**–**	**–**	**–**	**1,601,746**	**17,892,800**
Balance at 31 March 2020		**32,561,451**	**51,179,685**	**12,937,796**	**3,069,382**	**(39,947,033)**	**(8,124)**	**(33,494,558)**	**26,298,599**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities				
Profit / (loss) for the year before tax		**(3,382,110)**		3,389,701
Adjustments for:				
Finance costs		**163,203**		1,209,554
Finance income		**(19,960)**		(35,672)
Loan payable waived		**–**		(9,346,089)
Depreciation and impairment of property, plant and equipment		**949,780**		944,524
Depreciation and impairment of right of use asset		**467,724**		–
(Gain) / Loss on disposal of property, plant and equipment		**67,289**		469
(Gain) / Loss on Revaluation of right of use asset		**(121,248)**		–
Amortisation of intangible non-current assets		**676,304**		155,232
Impairment on financial assets (IFRS9)		**106,511**		155,962
Foreign exchange movements		**72,127**		334,864
Share based payment and warrant expense		**1,601,746**		251,004
Decrease in provisions		**(206,353)**		(756,305)
Tax (paid) / received		**(16,210)**		(12,933)
Movements in working capital:				
(Increase)/decrease in inventories		**26,995**		(462,360)
(Increase)/decrease in trade and other receivables		**(1,171,705)**		(910,663)
Increase/(decrease) in trade and other payables		**(758,355)**		380,352
Decrease/(increase) in tax asset		**(529,307)**		653,994
Cash used by operations		**(2,073,569)**		(4,048,366)
Investing activities				
Purchase of subsidiaries	**(8,369,742)**	**–**	–	–
Cash acquired on purchase of subsidiaries	**684,900**	**–**	–	–
Purchase of property, plant and equipment	**(617,085)**	**–**	(1,066,699)	–
Capitalisation of intangible assets	**(745,520)**	**–**	–	–
Proceeds on disposal of property, plant and equipment	**13,505**	**–**	–	–
(Investment)/reduction in short-term financial assets	**–**	**–**	475,385	–
Interest received	**5,010**	**–**	553	–
Net cash (used in)/generated from investing activities	**–**	**(9,028,932)**	–	(590,761)
Financing activities				
Net proceeds from issue of shares	**13,341,321**	**–**	9,626,985	–
Proceeds from borrowings	**–**	**–**	128,992	–
Repayment of borrowings	**(197,503)**	**–**	(4,139,100)	–
(Increase)/decrease in lease liability	**–**	**–**	–	–
Repayment of Lease liability obligations	**(364,359)**	**–**	–	–
Interest paid	**(163,203)**	**–**	(9,820)	–
Net cash generated from financing activities	**–**	**12,616,256**	–	5,607,057
Net increase/(decrease) in cash and cash equivalents	**–**	**1,513,755**	–	967,930
Cash and cash equivalents at beginning of period	**–**	**1,250,362**	–	282,432
Cash and cash equivalents at end of period	**–**	**2,764,117**	–	1,250,362

See note 31 for analysis of change in net cash/(debt).

1 Accounting Policies

Company information

Yourgene Health PLC is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Citylabs 1.0, Nelson Street, Manchester M13 9NQ.

The principal activity of Yourgene Health PLC and its subsidiaries is that of a molecular diagnostics business for research into, and the development and commercialisation of gene analysis techniques for prenatal screening and other clinical applications in the early detection, monitoring and treatment of disease.

The financial statements are presented in British Pounds Sterling, the currency of the primary economic environment in which the Company's headquarters is operated.

Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB), as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101).

The financial statements have been prepared under the historical cost convention, except for those transactions recognised at fair value as detailed below.

The consolidated financial statements of the Company as at and for the year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as 'the Group'). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries, which are all owned 100%) made up to 31 March each year.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of the subsidiaries is attributed to the owners of the Company.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern

In their assessment of the Group's ability to continue as a going concern, the Directors have focused on the implications of the organic growth of the existing business plus the in-year acquisitions of the profitable Elucigene Diagnostics in April 2019, and the profit-enhancing customer relationships acquired in March 2020 from the Group's French distributor AdGeniX SarL. For the enlarged Group the Directors have assessed the market dynamics in which it operates, the historic and anticipated rate of growth of gross profits, decisions available to them for management of the cost base of the Group and the potential for future fundraising.

The Group operates a strategic planning process which has delivered strong progress on its ambitious multi-year business plan.

As described in the Strategic Report, the Group has made progress towards achieving positive cash flows through growth in revenues since launching the IONA® Test in February 2015, acquiring Yourgene Bioscience in March 2017, acquiring Elucigene Diagnostics (Elucigene) in April 2019 and acquiring the customer relationships of its French distributor in March 2020. The Group has reported a positive adjusted EBITDA for the first time, however, it continues to use cash in its trading operations albeit at a much-reduced level; which reflects that break-even levels of revenues have not yet been reached. The Group's forecasts include assumptions of further growth in revenue, which are key in achieving positive cash flows. The Directors have also assessed the Group's cost structure as part of the strategic planning process and are investing in a scalability programme aimed at ensuring costs growth can be contained below gross profit increases.

There is an ongoing commitment to keep costs and working capital under control so that increasing gross profits can drive positive cash flows. Detailed sensitivity analysis has been performed to assess the potential impact on the Group's liquidity caused by delays in revenue growth against expected levels along with potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending. These sensitivities have been applied more aggressively this year in light of the COVID-19 pandemic, although to mitigate its potential negative impacts the Group is generating revenues through its contract manufacturing services, the development of its own COVID-19 diagnostic product (launched June 2020) and launching its own COVID-19 testing services (July 2020).

If events transpire differently to this assessment, for example, if revenues fail to grow at the anticipated pace, then there could be lower cash headroom. Given the successful fundraise which took place alongside the acquisitions of Elucigene and the French customer relationships, the Directors believe there is sufficient cash available to avoid a cash shortfall.

The Directors have concluded that considering the circumstances described above and mitigation strategies in place, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Revenue

Revenue from the sale of goods, equipment and related services is recognised in accordance with IFRS 15 Revenue from Contracts with Customers in the Statement of Comprehensive Income when the deemed Contractual Performance Obligations have been completed, which is determined to be at the point of despatch of the product or service unless there are specific provisions in the relevant contract. Revenue from the provision of testing and reporting services is recognised upon delivery of the report to the customer. Invoices are typically raised upon delivery of the products or reporting services, unless there is a different contractual requirement, for payment according to credit terms which are usually 30–75 days from date of invoice. For some contracts advance invoices are raised and payments received. These are held on the Statement of Financial Position as 'payments received on account' (see note 20) and are only recognised as revenue once the performance obligations have been deemed satisfied as described above.

Grant income and income for research projects is recognised when all conditions for receiving the grant or research income have been satisfied.

Separately disclosed items

Separately disclosed items are those significant items, within Total administrative expense which in management's judgement should be highlighted on the face of the Statement of Comprehensive Income by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Significant items in Finance Income are disclosed in note 5.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful lives. Depreciation is applied at the following rates:

Leasehold land and buildings	20% straight line
Plant and equipment	20–25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the Statement of Comprehensive Income.

Leases and right-of-use assets (IFRS 16)

The Group has adopted IFRS 16 from 1 April 2019 but it has not restated comparatives for the prior reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening Statement of Financial Position on 1 April 2019.

Leases are recognised as a right-of-use asset and lease liability at the transition date of 1 April 2019 or the date of any new leases after 1 April 2019. Right-of-use assets and lease liabilities are valued on a present value basis of the lease payments over the lease term. On adoption of IFRS 16 the right-of-use assets and lease liability were measured at the present value of the remaining lease payments and lease term. The right-of-use asset is depreciated over the term or remaining term of the lease.

Where there is potential for future increases in lease payments, amounts are not included in the lease liability until they implemented. The leases are reviewed annually and where the lease liability is increased the lease liability is reassessed and adjusted against the right-of-use asset. When a lease is terminated, or term amended the lease liability and right-of-use asset are recalculated and adjusted accordingly.

Lease payments are divided between principal and interest expense. The interest expense is charged to finance expense in the statement of comprehensive income.

In adopting IFRS 16, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments of whether leases are onerous;
- the accounting for operating leases, with a remaining lease term of less than 12 months as at 1 April 2019, as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is or contains a lease at the date of initial application, Instead, for contracts entered into before the transition date, the Group relied on its assessment made in applying IAS 17 and IFRIC 4, 'Determining whether an Arrangement contains a Lease'.

1 Accounting Policies continued

Accounting for Acquisitions

The Group assesses the acquisition of shares in a company under IFRS 3 – Business Combinations, to make an initial determination as to whether the acquisition meets the test for the definition "a business". This is defined as "An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities." For acquisitions that meet the test, the accounting treatment will follow IFRS 3 protocols to arrive at fair values. Where the test for a business is not met, then the assets of the acquired company will be accounted for as acquired tangible or intangible assets as described in these policies.

Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment, or earlier if there is an indication of impairment.

Acquired intangible assets

Intangible assets acquired directly or as part of business combinations are capitalised at fair value at the date of acquisition. Following the initial recognition, the carrying amount of an intangible is its cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged on the basis of the estimated useful life on a straight-line basis and the expense is taken to the Statement of Comprehensive Income.

The Group has recognised customer relationships as separately acquired intangible assets. The useful economic life attributed to each intangible asset is determined at the time of the acquisition.

Impairment reviews are undertaken annually and whenever the Directors consider that there has been a potential indication of impairment.

Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving items. Cost includes expenditure incurred in acquiring the inventories and other cost in bringing them to their existing location and condition.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Short-term financial assets

Short-term financial assets comprise deposits placed in an escrow account which is jointly controlled by a third party.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

Financial assets are recognised in accordance with IFRS 9 Financial Instruments in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary assets. They are measured subsequent to initial recognition at amortised cost using the effective interest rate method.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired in either of the following situations:

(a) Where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The Group considers a financial asset to be in default if there is explicit external information that indicates the debtor is unlikely to pay its creditors, including the Group. In the event of a default the full value of the financial asset is impaired. Financial assets are written off when there is deemed to be no realistic prospect of recovery and enforcement activities have ceased.

(b) Where there are expected credit losses in the next reporting period as required by IFRS 9, the Group recognises expected credit losses (ECL) for trade and other receivables. If the credit risk on a financial instrument has increased significantly since its initial recognition then ECL are assessed on a lifetime ECL basis. If the credit risk has not increased significantly then ECL are assessed based on the likelihood of default in the next 12 months. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers quantitative and qualitative information including historical debt default or delinquency and forward-looking information that is available without undue cost or effort. Forward-looking factors include the economic and political context for the financial assets as well as anticipated customer-specific developments.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when there is a transfer of the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Group using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured at transaction price initially and measured subsequently at amortised cost using the effective interest method, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reporting in profit or loss are included within finance costs or finance income.

Other financial liabilities

At initial recognition, financial liabilities (trade and other payables) are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. These financial liabilities are subsequently carried at amortised cost.

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial liabilities recognised at fair value

Financial liabilities are classified as FVTPL when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss in the 'other gains and losses' category. Interest paid on the financial liability is included in the finance costs line item in the Statement of Comprehensive Income.

1 Accounting Policies continued

Compound instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

Equity instruments

Instruments classified as equity under IAS 32 are measured at fair value on inception. Subsequent changes in the value of the instrument are not recognised in the financial statements.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. Deferred shares arose on share splits in previous reporting periods and are not tradable and carry no economic or voting rights.

Share warrants that are issued within the scope of IFRS 2 (as detailed in note 29) are measured at fair value at each reporting period end. They are classified as equity instruments based on the substance of the contractual arrangements entered into.

Merger relief reserve

The reserve represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings. The relief is only available to the issuing company securing at least a 90% equity holding in the acquired undertaking in pursuance of an arrangement providing for the allotment of equity shares in the issuing Company on terms that the consideration for the shares allotted is to be provided by the issue of equity shares in the other company.

Warrants reserve

The warrants reserve represents the fair value of warrants issued to Thermo Fisher which are in issue but not exercised at the reporting date.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is not probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Where deferred tax assets not recognised in prior periods begin to meet the criteria for recognition, their value is assessed based on a discounted view of 5 year profit forecasts for the relevant taxable entity or Group Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Provisions

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

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

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Comprehensive Income in the period they are payable.

Share-based payments
Where share options are awarded to employees or other stakeholders, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

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

Leases
Leases are classified under IFRS 16 as lease liabilities with corresponding Right of Use assets in most circumstances except for leases of low value or a lease term of less than 12 months, in which circumstances the lease payments are expensed as incurred. Lease incentives are recognised over the lease term.

Foreign currency
The functional currency of the Parent entity is Pounds Sterling. Transactions entered into by Group entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Statement of Financial Position date. Exchange differences arising on the retranslation of the unsettled monetary assets and liabilities are similarly recognised in the income statement.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place.

On consolidation assets and liabilities of overseas operations are translated at the reporting date closing rate. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign exchange translation reserve. On disposal of an overseas operation exchange differences are recognised in the income statement as part of the gain or loss on sale.

Presentation currency
These accounts have been presented in Pounds Sterling as the Directors consider this to be a most useful form of presentation to the shareholders.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Financing income and expenses
Financing expenses comprise interest payable and finance charges recognised in profit or loss using the effective interest method. Financing income comprises interest receivable on funds invested. Interest income and interest payable is recognised within profit or loss as it is accrued, using the effective interest rate method.

1 Accounting Policies continued

Research and development

The Group undertakes research and development activities in the UK which potentially attract a tax credit. Where such activities give rise to a tax credit, amounts receivable are recorded in the Statement of Financial Position as a tax asset and the associated credit is recorded within administrative expenses. The research and development tax credit is recognised in the financial statements in the same year in which the research and development expenditure occurred. This treatment is in line with the recognition of government grants to which the UK research and development tax credits scheme approximates.

2 Adoption of New and Revised Standards and Changes in Accounting Policies

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
IFRS 16 *Leases*	1 January 2019
IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to IFRS 9 – *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual improvements 2015–2017 cycle	1 January 2019
Amendments to IAS 19: *Plan amendment, Curtailment or Settlement*	1 January 2019

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements except IFRS 16, the impact of which is described in note 16

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Business Combinations*	1 January 2020
Amendments to IAS 1 and IAS 8: *Definition of Material*	1 January 2020
Interest Rate Benchmark Reform: *amendments to IFRS 9, IAS 39 and IFRS 7*	1 January 2020
Classification of Liabilities as Current or Non-Current: *amendments to IAS 1*	1 January 2022

The Directors are evaluating the impact that these standards will have on the financial statements of the Group.

3 Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Accounting for acquisitions of a business and intangible assets

In April 2019 the Group acquired Delta Diagnostics UK Ltd (trading as Elucigene) and in March 2020 it also acquired AGX-DPNI SAS. The acquisition of Elucigene was deemed to meet the IFRS 3 criteria for a business combination as it was a full standalone trading business. The acquisition of AGX-DPNI was deemed to be the acquisition of an intangible asset in the form of customer relationships, as there were no employees, facilities or other significant trading activities.

The acquisition of AGX-DPNI also contained provisions for earn-out payments to the vendors, based on achieving certain sales performance targets in the first year post-acquisition. These targets were based on existing business forecasts and were deemed sufficiently probable to be met that they are recorded as provisions rather than contingent liabilities.

Note 14 provides more information on these acquisitions including the basis on which fair values were determined for the acquired intangible assets.

Accounting for the capitalisation of development costs

The Group has now been in operation for several years and has resolved some significant technical challenges in bringing its products to market. In certain circumstances this leads to reduced technical risk during the product development cycle. The Group has also started to decouple some previously integrated components of its products, for example its software applications. Development costs are capitalised where it is judged that a development project has met both of these IAS 38 criteria.

Accounting for share-based payments

The Group's rapid growth in revenues and gross profits resulted in its first adjusted EBITDA profit in this reporting period. Excluding the one-off loan cancellation benefit in the prior reporting period, the Group has therefore shown sustained growth in earnings per share, the key basis on which share based payments are measured. This performance trajectory is forecast to continue which increases the likelihood that share options will become exercisable in the future. As a result the assumptions for share-based payments have been increased and a significant charge recognised in the Consolidated Income Statement.

Accounting for deferred tax

The Group has generated significant historic losses during its development stage, which have not been recognised as a deferred tax asset due to lack of visibility of future profitability within a realistic time horizon. As the Group now moves towards profitability, such visibility is becoming more likely in the near term. The Group has therefore started to recognise some of these losses where it deems it has a prudent basis on which to do so, including where there are deferred tax liabilities arising on acquisition that can be offset against historic tax losses.

Key sources of estimation uncertainty

Impairment of goodwill

The Group's management undertakes an impairment review annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. In respect of impairment reviews, the key assumptions are as follows:

Growth rates

The value in use of the intangible assets is calculated from cash flow projections for the relevant business activities based on the latest financial projections covering the anticipated useful economic life of the intangible assets.

Discount rates

The pre-tax discount rate used to calculate value is determined in relation to the relevant business activities and their geographic location, using external benchmarks where possible to arrive at a relevant weighted average cost of capital.

Cash flow assumptions

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates and expected cash flows. Changes in revenues and expenditures are based on past experience and expectations of future growth.

4 Segment Reporting

In the opinion of the Directors, the Group has one class of business in three geographic areas; a molecular diagnostics business sells into the UK, Europe and other countries referred to as 'International'. The Group sells into three highly interconnected clinical markets: non-invasive prenatal testing (NIPT), reproductive health and oncology/research services. The Group is therefore considered to have a single operating segment which is monitored by the Group's chief operating decision makers. Strategic decisions are made on the basis of unadjusted operating results.

4 Segment Reporting continued

Revenue

Revenue, analysed by category, was as follows:

	2020 £	2019 £
Turnover		
Sale of goods	**11,071,492**	4,976,470
Rendering of services	**5,541,287**	3,905,892
	16,612,779	8,882,362

Revenue analysed by geographical market

	2020 £	2019 £
UK	**1,974,632**	1,215,722
Europe	**4,142,073**	1,780,384
International	**10,496,074**	5,886,256
	16,612,779	8,882,362

Revenue analysed by clinical market

	2020 £	2019 £
NIPT	**10,144,312**	7,853,507
Reproductive health	**3,651,142**	–
Precision medicine	**2,817,325**	1,028,855
	16,612,779	8,882,362

During the reporting period no customers represented more than 10% of Group revenues (2019: two customers generated revenues of £2,374,372 representing a combined 27% of Group revenues).

Non-current assets

The Group's non-current assets are located in the following geographic regions, which support the three clinical markets in a highly integrated manner:

	2020 £	2019 £
UK	**25,327,904**	10,845,876
Europe	**2,157,093**	–
International	**592,449**	748,352
Intra-Group eliminations & adjustments	**(2,113,716))**	(1,296,690)
	25,963,730	10,297,538

5 Separately Disclosed Items

	2020 £	2019 £
Share-based payment expense	**(1,601,746)**	(251,004)
Costs associated with the acquisition of subsidiary	**(264,666)**	–
Acquisition integration expense	**(533,358)**	–
	(2,399,770)	(251,004)

Share-based payment expense relates to the provision made in accordance with IFRS 2 'Share-based payment' following the issue of share options to employees under the Company's share option schemes, as set out in note 29.

Costs associated with the acquisition of subsidiaries represents costs incurred during the acquisition of Delta Diagnostics UK Ltd in April 2019, and AGX-DPNI in March 2020.

Acquisition Integration expense relates to the expense incurred integrating Delta Diagnostics UK Ltd into the Yourgene Health Group.

6 Operating Loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Research and Development expense excluding salaries	**518,378**	691,239
Research and Development tax credit	**(560,204)**	(473,950)
Depreciation of property, plant and equipment	**949,780**	944,524
Depreciation right-of-use assets	**467,724**	–
(Profit)/Loss on disposal of property, plant and equipment	**(7,564)**	469
Amortisation of intangible assets	**676,304**	155,232
IFRS 16 Lease Liability adoption (gain)/loss	**(131,548)**	–
Impairment on financial assets IFRS 9	**106,511**	155,962

7 Auditor's Remuneration

Fees payable to the Group's auditor:

	2020 £	2019 £
For audit services		
Audit of the financial statements of the Company	**35,500**	36,000
Audit of the financial statements of the Company's subsidiaries	**26,250**	15,750
	61,750	51,750
For other services		
All other assurance services	**14,500**	–
All other tax advisory services	**38,830**	5,935
Total non-audit fees	**53,330**	5,935

8 Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2020 Number	2019 Number
Directors	**9**	8
Administrative	**81**	49
Research and Development	**46**	37
	136	94

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	**4,756,240**	3,832,974
Social security cost	**490,802**	347,938
Pension cost	**208,175**	150,971
Share-based payments (note 29)	**1,601,746**	251,004
	7,056,963	4,582,887

9 Directors' Remuneration

The remuneration of the Directors during the period was as follows:

	Salaries £	Fees £	Pension £	BIK £	2020 £	2019 £
A Reynolds	–	71,863	–	–	**71,863**	100,001
Dr S Little	61,800	–	3,090	1,861	**66,751**	82,456
N Mustoe	–	30,000	–	–	**30,000**	30,000
L Rees	190,000	–	10,000	19,739	**219,739**	132,227
Dr B Chang	154,479	–	–		**154,479**	169,349
B Hextall	175,000	–	7,500	10,468	**192,968**	143,278
H Jeffreys	175,000	–	7,500	1,574	**184,074**	127,837
Dr J Brown (appointed 29 July 2019)	27,128	–	–	–	**27,128**	–
J Seaton (appointed 15 August 2019)	–	17,485	–	–	**17,485**	–
Keng Hsu (resigned on 10 July 2019)	28,853	–	–	–	**28,853**	98,604
Dr W Denman (resigned 14 May 2018)	–	–	–	–	**–**	1,000
A Chang (resigned 03 July 2018)	–	–	–	–	**–**	3,333
P Collins (resigned 01 November 2018)	–	–	–	–	**–**	147,745
	812,260	119,348	28,090	33,642	**993,340**	1,035,830

The number of Directors to whom pension benefits are accruing under money purchase schemes is 4 (2019: 5).

The share-based payments charge to the Consolidated Statement of Comprehensive Income for Directors share options was £977,670 (2019: £155,742). During the period the Directors did not exercise any options.

10 Finance Income

	2020 £	2019 £
Interest income:		
Bank deposits	**5,010**	285
Loans and receivables	**14,950**	35,387
Total interest income	**19,960**	35,672
Other finance income:		
Thermo Fisher loan waived (see note 30)	**–**	9,389,210
Loan agreement and warrant issue expense	**–**	(43,121)
Total other finance income	**–**	9,346,089
Total finance income	**19,960**	9,381,761

11 Finance Expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	**15,673**	7,252
Interest on other loans and borrowings (see note 30)	**4,656**	1,202,302
IFRS 16 Interest	**142,874**	–
Total finance expense	**163,203**	1,209,554

12 Income Tax Expense

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	**–**	–
Foreign corporation tax	**328,808**	29,985
Current tax for period	**328,808**	29,985
Deferred tax		
Origination and reversal of temporary differences: UK	**(1,024,489)**	(29,494)
Origination and reversal of temporary differences: foreign	**(252,505)**	–
Deferred tax for period	**(1,276,994)**	(29,494)
Total tax (credit)/charge	**(948,186)**	491

As described in the critical accounting judgements section of this report, deferred tax assets are recognised where there is deemed to be a reasonable probability that future taxable profits will be capable of being offset by historic tax losses.

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020 £	2019 £
Loss before taxation	**(3,382,110)**	3,389,701
Expected tax credit based on a corporation tax rate of 19% (2019: 19%)	**(642,601)**	644,043
Effect of expenses not deductible in determining taxable profit	**440,168**	(45,518)
Unutilised tax losses carried forward	**778,591**	(941,372)
Change in unrecognised deferred tax assets	**86,361**	78,338
Effect of overseas tax rates	**(236,400)**	24,474
Effect of enhanced R&D deduction	**(349,816)**	270,020
Deferred tax	**(1,024,489)**	(29,494)
Taxation (credit)/charge for the year	**(948,186)**	491

The R&D tax credit of £560,204 (2019: £473,950) is shown as a deduction against general administrative expenses.

The Group is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included within the Statement of Financial Position. Deferred tax assets and liabilities are measured using substantially enacted tax rates expected to apply when the temporary differences reverse. Management judgement is required to determine the total provision for income tax. Amounts accrued are based on management's interpretation of country specific tax law and the likelihood of settlement.

Factors that may affect future tax charges

The Group has estimated trading losses of £15,455,325 (2019: £13,517,081), estimated excess management fees of £13,193,592 (2019: £11,330,723), non-trade loan relationship deficits of £1,328,796 (2019: £933,151) and capital losses of £1,934,399 (2019: £1,934,399).

The tax losses have resulted in a potential deferred tax asset of approximately £5,695,765 (2019: £4,428,392) which has been partially recognised (£925,364) to offset a deferred tax liability arising on the acquisition of Elucigene which will be offset by historic losses. Further recognition in future reporting periods subject to the extent that future taxable profits will be sufficient to utilise the losses, in accordance with current and expected future UK tax rates.

13 Earnings Per Share

Basic

Basic earnings per share is calculated by dividing the profit or loss for the period of £2,433,924 (2019: profit £3,389,210) by the weighted average number of ordinary shares in issue during the period 590,467,253 (2019: 396,597,093).

Diluted

Diluted earnings per share dilute the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share options and warrants into ordinary shares. The adjusted weighted average number of shares used to calculate diluted earnings per share is 608,687,226 (2019: 399,636,919).

26,039,443 options and warrants (2019: 92,269,091) have been excluded from this calculation as the effect would be anti-dilutive.

After the reporting period end a further 7,848,992 new ordinary shares were issued against share options and standard warrants, see note 29.

14 Intangible Assets

	Goodwill £	Customer relationships £	Product IP	Product development cost	Total £
Cost					
At 1 April 2018	7,014,447	1,552,328	–	–	8,566,775
Additions	–	–	–	–	–
At 31 March 2019	7,014,447	1,552,328	–	–	8,566,775
Additions	3,791,336	6,840,696	2,051,699	695,942	13,430,879
Exchange differences	–	51,206	–	–	–
At 31 March 2020	**10,805,783**	**8,444,230**	**2,051,699**	**695,942**	**21,997,654**
Amortisation and impairment					
At 1 April 2018	–	168,168	–	–	168,168
Charge for the year	–	155,232	–	–	155,232
At 31 March 2019	–	323,400	–	–	323,400
Charge for the year	–	488,226	188,078	–	676,304
Exchange differences	–	278	–	–	278
At 31 March 2020	**–**	**811,904**	**188,078**	**–**	**999,982**
Carrying amount					
At 31 March 2019	7,014,447	1,228,928	–	–	8,243,375
At 31 March 2020	**10,805,783**	**7,632,326**	**1,863,621**	**695,942**	**20,997,672**

The intangible assets arose as part of the acquisition of Yourgene Health Taiwan (March 2017). Delta Diagnostics UK Ltd (April 2019) and AGX-DPNI SAS (March 2020). The assets are amortised over a useful economic life defined upon acquisition:

	Useful economic life	Remaining useful life
Customer Relationships	10 years	7–10 years
Product IP	10 years	9–10 years
Product Development cost	5-10 Years	3–10 years

Amortisation has been charged to General administrative expenses in the consolidated statement of Comprehensive Income.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to product segment. A product segment-level summary of the goodwill allocation is presented below.

	2020 £	2019 £
NIPT	**7,014,447**	7,014,447
Reproductive health	**3,791,336**	–
Precision medicine	**–**	–
	10,805,783	7,014,447

NIPT goodwill represents the goodwill arising on the acquisition of Yourgene Bioscience (Taiwan) in March 2017, since renamed Yourgene Health Taiwan. The Reproductive Health goodwill arose on the acquisition of Elucigene in April 2019.

Intangible assets are subject to an annual impairment test to ascertain if the value in use is greater than the carrying value in the financial statements. The intangible assets arising from the acquisitions above, are tested over a five year forecast period plus a terminal value to represent their remaining useful economic life. A cash flow model for each business unit is used based on historical performance, in which future expectations of growth are forecast based on internal budgets for 12 months, and then on an initial growth rate ranging from 10% – 30% reducing down to 2 – 5 % per annum for the terminal value estimation, reflecting the rapid growth of the Group's markets and the opportunities for greater market penetration through geographic expansion. Discount rates were set at 13%, being the representative cost of capital. These assumptions are reviewed and benchmarked to ensure they remain appropriate.

The impairment assessments showed assessed values that exceeded the carrying values with significant headroom. In the case of Elucigene a discount rate sensitivity of 20% did not give rise to an impairment, and the headroom for Yourgene Health Taiwan was even higher.

15 Property, Plant and Equipment

	Leasehold land and buildings £	Plant and equipment £	Computer software £	Total £
Cost				
At 1 April 2018	682,641	3,867,040	24,408	4,574,089
Additions	23,696	1,043,003	–	1,066,699
Transfer	–	(32,755)	–	(32,755)
Disposals	–	(1,254)	–	(1,254)
Foreign currency adjustments	258	18,327	300	18,885
At 31 March 2019	706,595	4,894,361	24,708	5,625,664
Additions	150,309	407,978	58,798	617,085
Business combinations	81,153	164,863	40,641	286,657
Transfer	–	–	–	–
Disposals	(206,353)	(15,827)	–	(222,180)
Foreign currency adjustments	5,635	93,562	1,758	100,955
At 31 March 2020	**737,339**	**5,544,937**	**125,905**	**6,408,181**
Accumulated depreciation and impairment				
At 1 April 2018	421,831	2,217,360	15,492	2,654,683
Charge for the year	120,537	820,098	3,889	944,524
Transfer	–	(32,755)	–	(32,755)
Eliminated on disposal	–	(785)	–	(785)
Foreign currency adjustments	(578)	6,242	170	5,834
At 31 March 2019	541,790	3,010,160	19,551	3,571,501
Charge for the year	170,764	758,220	20,796	949,780
Transfer	–	–	–	–
Eliminated on disposal	(131,548)	(9,838)	–	(141,386)
Foreign currency adjustments	4,697	52,722	1,561	58,981
At 31 March 2020	**585,703**	**3,811,264**	**41,908**	**4,438,876**
Carrying amount				
At 31 March 2020	**151,636**	**1,733,673**	**83,996**	**1,969,305**
At 31 March 2019	164,805	1,884,201	5,157	2,054,163

Business combination refers to assets acquired in the acquisition of Delta Diagnostics UK Ltd in April 2019, see note 18

16 Leases

Lease liabilities

The Company has a number of leases for property in the UK, Taiwan and Singapore. On adoption of IFRS 16, the Group recognised lease liabilities in relation to property leases which had previously been classified as operating leases under the principles of IAS 17 Leases. The Group adopted IFRS 16 from 1 April 2019 using the modified retrospective approach, the comparative information for 2019 is not restated. The incremental borrowing rate applied to the lease liabilities on 1 April 2019 was based on comparable loan interest rates in the relevant jurisdiction where the lease is operable.

	Lease liability £
At 1 April 2019 on transition	1,198,368
Additions	2,823,388
Business combinations	1,557,960
Lease Payments	(507,233)
Interest Expense	142,874
Terminations and amendments	(2,166,524)
Foreign currency adjustments	2,457
At 31 March 2020	**3,051,290**
Current	341,167
Non-current	2,710,123
At 31 March 2020	**3,051,290**

16 Leases continued

Right-of-use assets

Right-of-use assets for these property leases were measured at the amount equal to the lease liability as at the IFRS 16 adoption date. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	Right-of-use asset: property £
Cost	
At 1 April 2019 on transition	1,198,368
Additions	2,823,388
Business combinations	1,484,996
Transfer	
Terminations and amendments	(2,262,172)
Foreign currency adjustments	3,729
At 31 March 2020	**3,248,309**
Accumulated depreciation and impairment	
Charge for the year	467,724
Transfer	–
Eliminated on termination and amendment	(216,897)
Foreign currency adjustments	729
At 31 March 2020	**251,556**
Carrying amount	
At 31 March 2020	**2,996,753**

Changes to property leases after 1 April 2019

On 26 April 2019 the Company acquired Delta Diagnostics UK Ltd including its IFRS 16 property lease liability and right-of-use asset, as described in the note below. Delta Diagnostics UK Ltd is in the process of being integrated with Company's other UK trading subsidiary, Yourgene Health UK Ltd. As part of this integration project some UK property leases have been surrendered and others renegotiated with extended terms. The UK property lease restructure was completed in September 2019. A further UK property lease was taken out in March 2020 due to the integration and expansion of the UK business. The property lease in Taiwan was extended a further six months whilst a review of alternative locations is undertaken to allow for expansion of operations in Taiwan.

Operating lease commitments

In addition to the property leases disclosed above under IFRS 16 the Group has a small number of low value asset operating leases.

	2020 £	2019 £
Minimum lease payments under operating leases	**91,236**	205,699

2019 lease payments include property lease payments of £176,368; see above property lease liability payments for 2020.

At the reporting period date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	**46,316**	227,336
Between one and five years	**15,526**	529,802
In over five years	**–**	–
	61,842	757,138

17 Inventories

	2020 £	2019 £
Raw materials	**406,472**	200,579
Work in progress	**405,158**	286,502
Finished goods	**340,678**	252,045
	1,152,308	739,126

Finished goods recognised at cost of sales in the year amounted to £6,123,807 (2019: £4,271,941)

18 Subsidiaries

Details of the Company's subsidiaries at 31 March 2020 are shown in the table below:

Name of undertaking	Country of incorporation	Ownership interest (%)	Nature of business
Yourgene Health UK Ltd	UK	100	See below
Delta Diagnostics (UK) Ltd	UK	100	See below
Elucigene Ltd	UK	100	Non trading
Premaitha GmbH	Germany	100	See below
AGX-DPNI S.A.S.	France	100	See below
Yourgene Health Inc	USA	100	See below
Yourgene Health (Taiwan) Co. Ltd.	Taiwan	100	See below
Kang Qiao Bioscience Ltd	Taiwan	100*	See below
Jian Qiao Bioscience Co. Ltd	Taiwan	100*	See below
Yourgene Bioscience Co Ltd	Taiwan	100*	See below
Yourgene Health (Singapore) Pte Limited	Singapore	100*	See below

Yourgene Health UK Ltd principal activity is that of a molecular diagnostics company employing next generation DNA analysis technology to develop, manufacture and sell molecular diagnostic products intended to have a major beneficial impact on human health. The registered office is at Citylabs 1.0 Nelson Street, Manchester, M13 9NQ. Yourgene Health UK Ltd was formerly named Premaitha Ltd until 11 December 2019.

Delta Diagnostics (UK) Ltd trading as Elucigene is a molecular diagnostics manufacturer and developer with a suite of *in vitro* diagnostic CE marked products focused on reproductive health and oncology. The registered office is at Citylabs 1.0 Nelson Street, Manchester, M13 9NQ.

Premaitha GmbH is a German subsidiary whose principal activity is that of a sales office for Yourgene Health UK Ltd. The registered office is at Prielmayerstraße 3, 80335 München, Germany.

AGX-DPNI S.A.S. is a recently acquired subsidiary whose principal activity is that of a distributor for Yourgene Health UK Ltd. The registered office is at 20 Avenue Jean Bart, 78960 Voisins le Bretonneux, France.

Yourgene Health Inc is a US subsidiary whose principal activity is that of a sales office and distributor for Yourgene Health UK Ltd. The registered office is at 1680 Michigan Ave, Suite 700 #232, Miami Beach FL 33139 USA.

Elucigene Ltd is a non-trading entity, formerly named Yourgene Health UK Ltd until 6 December 2019. The registered office is at Citylabs 1.0 Nelson Street, Manchester, M13 9NQ.

Yourgene Health (Taiwan) Co. Ltd was formerly named Yourgene Bioscience Co. Ltd. It is a Taiwanese subsidiary where the principal activities of the Group headed by this Company are within the same sector as Yourgene Health UK Ltd. Its registered office is No.376-5, Fuxing Rd., Shulin Dist., New Taipei City 23871, Taiwan (R.O.C.).

* Yourgene Health (Taiwan) Co. Ltd owns a 100% interest in each of Kang Qiao Bioscience Ltd, registered office 3F., No. 3, Ln. 160, Junying St., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.); Jian Qiao Bioscience Co. Ltd, registered office No.376-5, Fuxing Rd., Shulin Dist., New Taipei City 23871, Taiwan (R.O.C.); Yourgene Bioscience Co. Ltd, registered office No.376-5, Fuxing Rd., Shulin Dist., New Taipei City 23871, Taiwan (R.O.C.); and Yourgene Health (Singapore) Pte Limited (formerly named Yourgene Bioscience Singapore Pte Limited.), registered office 3 Fusionopolis Place #05-54 Galaxis Singapore 138523.

18 Subsidiaries continued

Acquisition of Delta Diagnostics UK Ltd (trading as Elucigene Diagnostics)

The Group acquired 100% of the equity interests in Delta Diagnostics UK Ltd on 25 April 2019 for a total consideration of £9,280,743. This UK-registered company is a leading molecular diagnostics manufacturer and developer of a complementary product range to that of the Group. A summary of the net assets acquired, and the consideration paid is shown below.

	Book value £	Fair value £
Cash and cash equivalents	627,268	627,268
Intangible assets	–	5,361,840
Property, plant and equipment	286,657	286,657
Right-of-use asset (IFRS 16)	1,484,996	1,484,996
Trade and other receivables	1,707,060	1,707,060
Inventories	440,177	440,177
Trade and other payables	(1,444,619)	(1,444,619)
Tax liability	(115,175)	(115,175)
Borrowings	(258,271)	(258,271)
Lease liability under IFRS 16	(1,557,960)	(1,557,960)
Deferred tax liability	(23,816)	(1,042,566)
	1,146,317	5,489,407
Goodwill		3,791,336
Total Fair value		**9,280,743**
Satisfied by:		
Cash		6,331,010
Issue of shares		2,949,733
		9,280,743
Net cash outflow arising on acquisition:		
Cash consideration		(6,331,010)
Cash and cash equivalents acquired		627,268
		(5,703,742)

At the time of acquisition it was expected that all Trade receivables would be collected. The Goodwill arising on acquisition represents the perceived inherent value to the Group of, for example, the additional skilled colleagues in the Elucigene business, the higher grade facilities made available to the Group as a result of the acquisition, operational synergies through combining certain business functions, the future value of products in development that did not meet the requirements for explicit recognition and the opportunity to offer a combined product range to prospective and existing customers of both businesses.

The acquisition consideration was satisfied by a combination of cash raised through an equity fundraise and the issue new shares as non-cash consideration. The non-cash consideration comprised 24,581,111 new ordinary shares valued at a contractual share price of 12 pence per new ordinary share issued which reflected the closing share price on the day prior to completion of the acquisition.

The revenue recognised in the Consolidated statement of comprehensive income for Delta Diagnostics UK Ltd is £2,632,344 revenue, had the acquisition occurred on the first day of the reporting period this would have been £2,715,168. It is not practicable to state the comparable profit figures as there has been significant transfer of employees and leases to Yourgene Health UK Ltd.

Acquisition of French distribution channel

The Group acquired 100% of the equity interest in AGX-DPNI S.A.S., a newly formed entity comprised of the NIPT distribution business of AdGeniX S.a.r.L ("AdGeniX"), the Company's current French distribution partner for its IONA® test, for an initial cash consideration of €2,355,000 and up to a maximum of €1,655,000 in performance consideration payments based on sales growth performance criteria. A further two cash payments of €577,500 each will be payable in October 2020 and April 2021 dependent on NIPT sales growth during the period, with a final cash bonus of up to €500,000 due in April 2021 if NIPT sales exceed additional agreed targets. The acquisition has been treated as an acquisition of assets, and the future performance consideration payments recorded as a provision by the Group due to the expected probability – based on an assessment of market dynamics and individual customer growth plans – that these targets will be achieved, and the ability to accurately estimate the value of the potential liability.

19 Trade and Other Receivables

	2020		2019	
	£	£	£	£
Trade receivables	**4,808,174**		2,810,957	
Provision for doubtful trade receivables	**(83,161)**		(884,349)	
Loss allowance due to expected credit losses (under IFRS 9)	**(101,836)**		(48,489)	
Net Trade Receivables		**4,623,177**		1,878,119
Other receivables		**131,010**		86,826
VAT recoverable		**284,628**		282,659
Other loans and receivables at amortised cost	**11,588**		302,386	
Loss allowance due to expected credit losses (under IFRS 9)	**–**		(107,473)	
Net other loans and receivables at amortised cost		**11,588**		194,913
Prepayments		**578,884**		390,178
		5,629,287		2,832,695

An amount of £nil (2019: £785,317) was provided for doubtful receivables relating to a customer which was in bankruptcy proceedings. This customer has now been declared bankrupt, and legal proceedings have failed to recover any outstanding monies. This amount has now been written off.

An amount of £80,922 (2019: £99,032) has been provided for doubtful receivable amounts overdue from specific customers.

A loss allowance against trade receivables of £101,836 (2019: £48,489) for expected credit losses has been provided for as required under IFRS 9. These expected credit losses were calculated after analysing the Group's receivable risks in geographic groupings which are deemed to reflect appropriate credit risk categories. Delinquency rates and political stability are deemed to be very low in Asia Pacific leading to no impairment of receivables. In Europe and America increased risk due to COVID-19 issues is reflected in a 2.5% (2019 0%) expected credit loss risk. In the Middle East and Africa region COVID-19 and general political instability have been deemed to give an expected credit loss risk rating of 5% (2019 10%). In India expected credit loss risk has been estimated to be greater at 15% due to specific customer delays and covid-19 issues.

Other loans and receivables relate to an outstanding loan to a customer of the Group, this amount has been received in the first quarter of FY2021.

20 Trade and Other Payables

	2020 £	2019 £
Trade payables	**2,674,449**	2,088,567
Payments received on account	**1,170,017**	1,277,105
Accruals	**612,554**	580,599
Social security and taxation	**167,235**	110,555
Other payables	**283,558**	115,638
	4,907,813	4,172,464

The book value of trade and other payables approximates to the fair values. See note 26 for maturity analysis.

21 Borrowings

	2020 £	2019 £
Unsecured borrowings at amortised cost		
Bank loans	**362,618**	285,690
Other loans	**–**	–
	362,618	285,690

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	**277,508**	76,388
Non-current liabilities	**85,110**	209,302
	362,618	285,690

21 Borrowings continued

The continuing borrowings as at 31 March 2020 are:

Asset finance facilities entered into by Yourgene Health (Taiwan) Co. Ltd. These facilities are payable until December 2021, are secured against the financed equipment and incur a fixed interest rate of 1.97% per annum.

Borrowings incurred by newly acquired subsidiary, Delta Diagnostics (UK) Ltd, payable by October 2021. The loan incurs interest at 4.94% pa over Base Rate. The borrowings have covenants attached to them and the Group has been compliant with these covenants throughout the year.

22 Provisions for Liabilities

	2020 £	2019 £
Dilapidation provision	–	206,353
Acquisition – additional consideration	1,468,878	–
	1,468,878	206,353

Analysis of provisions:

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	512,554	–
Non-current liabilities	956,324	206,353
	1,468,878	206,353

Movements on provisions:

	Acquisition additional consideration £	Dilapidation provision £	Total £
At 1 April 2019	–	206,353	206,353
Release of provision	–	(206,353)	(206,353)
Increase in provision	1,468,878	–	1,468,878
At 31 March 2020	**1,468,878**	**–**	**1,468,878**

Dilapidation provision

As part of the Group's property leasing arrangements there was an obligation to return certain premises in the same state that they were received and repair damages which incur during the life of the lease, such as wear and tear. The Group has adopted IFRS 16 and these costs have now been recognised as part of the cost of the right-of-use asset and lease liability – please see note 16.

Acquisition – additional consideration

Upon successful acquisition of French distribution channel for an initial cash consideration of €2.4 million a further two cash payments of €0.58 million each will be payable in October 2020 and April 2021 dependent on NIPT sales growth during the period, with a final cash bonus of up to €0.5 million due in April 2021 if NIPT sales exceed additional agreed targets. The executive management of AdGenix are contracted during the earn-out period to ensure a successful transition and customer continuity, with an additional multi-year non-compete provision from completion.

23 Deferred Taxation and Other Tax Assets

The deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period are shown below. The deferred tax assets and deferred tax liabilities and are not offset and are both deemed non-current.

	£
Deferred tax liability at 1 April 2018	262,990
Deferred tax movements	
Credit to profit or loss	(29,494)
Deferred tax liability at 1 April 2019	233,496
Deferred tax movements	
Acquired in business combination	1,018,750
Credit to profit or loss	(99,125)
Deferred tax liability at 31 March 2020	**1,153,121**

	£
Deferred tax asset at 1 April 2018	–
Deferred tax movements	
Credit to profit or loss	–
Deferred tax asset at 1 April 2019	–
Deferred tax movements	
Credit to profit or loss: UK tax	925,364
Credit to profit or loss: foreign tax	252,505
Foreign exchange revaluation	3,170
Deferred tax asset at 31 March 2020	**1,181,039**

Tax assets are sums arising from enhanced R&D reliefs available in the UK, and are allocated between current and non-current according to the Company's view on when the benefits will arise.

	2020 £	2019 £
Tax asset at 1 April	**478,232**	1,158,765
Tax movements		
Business combination	**(48,028)**	–
Refund received	**–**	(1,129,638)
Credit to profit or loss	**554,972**	449,105
Tax asset at 31 March	**985,176**	478,232

	2020 £	2019 £
Non-current tax asset	**532,691**	–
Current tax asset	**452,485**	478,232
As at 31 March	**985,176**	478,232

24 Financial Instruments

The principal instruments used by the Group, from which the financial instrument risk arises, include cash and cash equivalents, trade receivables, trade payables and borrowings.

Risk and sensitivity analysis

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group and Company are exposed through their operations to one or more of the following financial risks: foreign currency risk, liquidity risk, credit risk, investment risk and interest rate risk. The policy for managing these risks is set by the Board and all such risks are managed at a Group level within the organisation. The Board's objective is to ensure an appropriate balance of risk and opportunity and monitors key risk factors in each Board meeting to determine whether that balance is deemed satisfactory. Where practical risks will be mitigated, e.g. through natural hedging of foreign currency exposures or insurance.

There have been no changes from previous years in the way the Group and Company manages risks, other than the use of forward foreign exchange contracts in specific situations where future currency trades can be accurately forecast. The policies for these risks are described further within the following notes.

25 Financial Instruments – Market Risk

Foreign exchange risk

Foreign currency exchange risk arises because the Group has asset and liabilities denominated in foreign currencies. Subsidiary operations are located in the UK, Germany, France, USA, Singapore and Taiwan whose functional currency outside the UK is not the same as the Group's functional currency (Sterling). The net assets from such overseas operations are exposed to currency risk giving rise to gains or losses on translation to Sterling for the purposes of the consolidated financial statements.

Subsidiaries within the Group trade internationally outside their own country. The Group seeks to naturally hedge its currency risk by allowing subsidiaries to operate multi-currency bank accounts to match foreign currency income and expenditure. The bank balances are monitored at Group level on a weekly reporting basis, allowing the management of exchange risk across the Group. When necessary any specific currency surplus or shortage can be transferred or translated using either spot or forward currency contracts to meet future requirements of each subsidiary.

Foreign exchange risk continued

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2020 £	2019 £	**2020** £	2019 £
GBP	**3,527,249**	1,413,886	**7,001,309**	1,779,437
Euros	**1,649,019**	1,154,699	**721,917**	544,383
US$	**745,177**	98,079	**178,157**	34,741
New Taiwan Dollars	**3,011,105**	1,606,743	**2,310,766**	1,940,671
Singapore Dollar	**526,253**	234,336	**199,541**	80,600
Other (AUD/ZAR/CHF/AED)	**175,452**	52,590	**14,678**	78,682
	9,634,255	4,560,333	**10,426,368**	4,458,514

The following table illustrates the sensitivity of profit and equity in regard to the Group's financial assets and financial liabilities and the SGD/GBP, TWD/GBP, USD/GBP and Euro/GBP exchange rates 'all other things being equal'. It assumes a +/- 6% change of the SGD/GBP, +/- 7% TWD/GBP and Euro/GBP, +/- 9% USD/GBP exchange rate for the year ended at 31 March 2020 (2019: 5%). A +/- 9% change is considered for the USD/GBP exchange rate (2019: 5%) and a +/-7% change is considered for the Euro/GBP and TWD/GBP exchange rate (2019: 5%) and +/- 6% for SGD/GBP (2019: 5%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If the GBP had strengthened against the SGD by 6% (2019: 5%), TWD and Euro by 7% (2019: 5%), USD by 9% (2019: 5%) respectively then this would have had the following impact:

	Loss for the year					Other equity				
	SGD £	TWD £	USD £	Euro £	Total £	SGD	TWD £	USD £	Euro £	Total £
31 March 2020	**(18,493)**	**(45,817)**	**(46,818)**	**(60,652)**	**(171,780)**	**(1,403)**	**(37,136)**	**–**	**(141,118)**	**(179,657)**
31 March 2019	(7,321)	15,901	(3,016)	(29,063)	(23,498)	(1,202)	(13,822)	–	(269)	(15,293)

If the GBP had weakened against the SGD by 6% (2019: 5%), TWD and Euro by 7% (2019: 5%), USD by 9% (2019: 5%) respectively then this would have had the following impact:

	Loss for the year					Other equity				
	SGD £	TWD £	USD £	Euro £	Total £	SGD	TWD £	USD £	Euro £	Total £
31 March 2020	**20,854**	**52,714**	**56,079**	**69,782**	**199,429**	**1,582**	**42,727**	**–**	**162,362**	**206,671**
31 March 2019	8,091	(17,575)	3,334	32,122	25,972	2,530	29,100	–	566	32,196

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate risk

The Group's interest rate risk arises from interest-bearing assets and liabilities. The Group has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest; offsetting where possible, cash balances and by forecasting and financing its working capital requirements. Bank loans shown in note 21 are asset finance facilities in Taiwan which are subject to fixed interest rates at 1.97% and interest rate of 4.94% over Base Rate on loan facility for Delta Diagnostics (UK) Ltd.

Investment risk

Investment risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Group is exposed to interest rate risk from its interest earning financial assets. The floating rate assets are held in a money market account earning interest at Bank of England base rate at 0.01%. The interest rate risk is mitigated by the fact cash is held in short-term deposits allowing rapid transfer of funds to alternative commercial banks to obtain improved interest rates. There are no financial assets earning interest at fixed rates.

Capital

As described in note 28 the Group considers its capital to comprise its ordinary share capital, share premium and accumulated deficit as its capital reserves. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to commercialise the development which has been undertaken to date, through major sales in a number of markets.

There have been no other significant changes to the Group's capital management objectives, policies and processes in the period nor has there been any change in what the Group considers to be its capital.

26 Financial Instruments – Liquidity Risk

Liquidity risk is the risk that the Group fails to have sufficient funds to meet its debts as they become due. The liquidity risk of the Group is managed centrally. The Group holds funds in short-term bank deposits so that they are available when required.

The following table details the remaining contractual maturity for the Group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	1 year or less £	2 to 5 years £	More than 5 years £	Total £
At 31 March 2019				
Interest-bearing loans and borrowings	76,388	209,302	–	285,690
Lease liabilities under IFRS 16	–	–	–	–
Trade payables	2,088,567	–	–	2,088,567
Accruals	580,599	–	–	580,599
Other payables	1,392,743	–	–	1,392,743
	4,138,297	209,302	–	4,347,599
At 31 March 2020				
Interest-bearing loans and borrowings	**277,508**	**85,110**	**–**	**362,618**
Lease liabilities under IFRS 16	**341,167**	**2,710,123**	**–**	**3,051,290**
Trade payables	**2,674,449**	**–**	**–**	**2,674,449**
Accruals	**612,554**	**–**	**–**	**612,554**
Other payables	**1,453,574**	**–**	**–**	**1,453,574**
	5,359,252	**2,795,233**	**–**	**8,154,485**

The Board believes the current level of financial liabilities to be in line with expectations. The level of cash balances and trade and other receivables is sufficient to discharge the Group's financial liabilities.

27 Financial Instruments – Credit Risk

During the period, the Group's credit risk was primarily attributable to its cash balances, other loans receivable, and its trade receivables. Credit risk is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings. The risk to the Group of trade receivables going bad is regarded as low to medium in most regions due to the current COVID-19 pandemic and medium in the Middle East, Africa and India regions, these are described in detail in note 19.

Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

In March the Group announced the acquisition of the French distribution channel (see note 18) from the Company's French distributor at which time there was a loan outstanding of £229,770 due from the distributor. This was held within 'other loans and receivables at amortised cost' which was secured against equipment which the Group bought for £57,486 as part of the acquisition of the French distribution business. The loan repayments were linked to the sales volume of the French distributor's NIPT business. As French NIPT distribution business has now been acquired by the Yourgene Group £160,696 (2019: £107,473) of this loan has been impaired under the requirements IFRS 9. At 31 March 2020 the loan balance relating to outstanding receivables was £11,588 (2019: £302,386), this outstanding amount been received since 31 March 2020.

The Group's maximum exposure to credit risk by class of financial assets amounts to their carrying value of £9,634,255 (2019: £4,560,333). The Group deems that entities from whom credit exposure arises are of adequately strong credit quality and will therefore be able to pay the amounts due when they arise.

The Group does not hold any collateral or other credit enhancements to cover this credit risk other than the equipment security stated above.

Credit quality of financial assets

As at the balance sheet date the Group had a total of £3,786,895 (2019: £1,817,747) of not impaired trade receivables which were between 0–30 days past due and £836,282 (2019: £60,646) which were more than 30 days past due. These figures exclude amounts owing that have been fully provisioned due to specific impairment circumstances.

28 Share Capital and Reserves

	Ordinary shares 0.1p each		Deferred shares 0.9p each		Deferred shares 9.9p each	
	2020	2019	**2020**	2019	**2020**	2019
At 1 April	**458,999,688**	321,218,279	**1,039,640,244**	1,039,640,244	**228,163,709**	228,163,709
Shares issued Placing	**157,482,517**	96,425,244	**–**	–	**–**	–
Shares issued Warrant exercise	**–**	41,356,165	**–**	–	**–**	–
At 31 March	**616,482,205**	458,999,688	**1,039,640,244**	1,039,640,244	**228,163,709**	228,163,709
Nominal value at 31 March	**£616,482**	£459,000	**£9,356,762**	£9,356,762	**£22,588,207**	£22,588,207

All ordinary shares in issue have equal voting rights and rights to dividends or other distributions. The deferred shares rank equally in all respects but do not have any voting rights or rights to receive dividends or other distributions and will not have any return on capital on a winding up.

There were three share issues during the reporting period, in April 2019, May 2019 and March 2020, for a combined total of 157.5 million new shares.

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

Reserve	Description and purposes
Share premium account	Amount subscribed for share capital in excess of nominal value.
Retained losses	Cumulative net gains and losses recognised in the consolidated income statement. The share option expense is recognised directly through the accumulated deficit reserve.
Merger relief reserve	Represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings.
Reverse acquisition reserve	Effect on equity of the reverse acquisition of Premaitha Limited.
Warrants reserve	Equity element of Thermo Fisher warrants in issue and not yet exercised.
Foreign exchange translation reserve	Represents cumulative foreign exchange gains and losses arising on consolidation and exchange differences arising on translation of foreign operations.

29 Share-based Payment Transactions

Share options

The Group operates two equity-settled share-based remuneration schemes for employees: an HMRC-approved EMI scheme and an unapproved scheme, jointly known as the 'option scheme'. Under the scheme employees may be granted options to purchase shares, which vest over varying periods up to four years and must be exercised within 10 years from the date of grant. The options are forfeited by the employee if they leave the Company before the options are exercised.

The Group recognised a total share-based payment charge of £1,601,746 in the period (2019: £251,004). The increased expense is primarily due to the Group's increased expectations of the number of shares expected to vest.

The exercise price of options outstanding at the end of the year ranged between 7.75p and 242p and their weighted average remaining contractual life was 6.8 years (2019: 7.1 years).

The weighted average fair value of each option granted during the year was 4.65p (2019: 2.13p).

Market-based options

The Company issued options between October 2012 and March 2014 with market-based conditions attached such that they are only exercisable if the share price of the Company exceeds 50p per ordinary share. In August 2019 1,183,332 options had their performance conditions modified to be aligned with other senior incentives, the exercise price of these options remains unchanged.

At 31 March 2020, the following market-based options were outstanding in respect of ordinary shares:

Date of grant	Exercise period	**2020 Number**	2019 Number
31 October 2012	1 November 2012 to 1 November 2022	**25,558**	25,558
2 January 2013	3 January 2013 to 3 January 2023	**13,681**	13,681
19 March 2014	18 April 2014 to 19 March 2024	**–**	1,183,332
Outstanding at 31 March 2020		**39,239**	1,222,571

The following principal assumptions were used in the valuations:

	Oct 2012	Jan 2013	Mar 2014
Share price	242p	225p	21.5p
Exercise price	242p	225p	10p
Volatility	108.25%	108.15%	88.97%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.602%	1.11%	1.969%
Expected option life	5 years	5 years	5 years

Earnings per share options

The Company issued options between March 2014 and March 2020 with conditions attached such that they are only exercisable if the earnings per share exceeds that for the financial year preceding the grant of the option.

At 31 March 2020, the following options were outstanding in respect of ordinary shares:

Date of grant	Exercise period	2020 Number	2019 Number
19 March 2014	18 April 2014 to 19 March 2024	**1,183,332**	–
6 September 2014	4 September 2016 to 5 September 2024	**23,124,226**	23,500,554
15 July 2015	14 July 2017 to 14 July 2025	**4,705,000**	4,845,000
21 October 2016	1 April 2018 to 26 October 2026	**470,000**	470,000
2 March 2017	31 March 2019 to 1 March 2027	**550,000**	550,000
30 October 2017	28 September 2018 to 29 October 2027	**2,755,000**	2,855,000
2 July 2018	1 July 2019 to 30 June 2028	**19,400,000**	19,400,000
4 October 2018	1 July 2019 to 30 June 2028	**3,000,000**	3,000,000
31 May 2019	31 May 2019 to 30 May 2029	**10,120,000**	–
29 October 2019	29 October 2019 to 28 October 2029	**2,500,000**	–
27 March 2020	27 March 2020 to 26 March 2030	**500,000**	–
Outstanding at 31 March 2020		**68,307,558**	54,620,554

The following principal assumptions were used in the valuations:

	Mar 2014	Sep 2014	Jul 2015	Oct 2016	Mar 2017	Oct 2017	Jul 2018	Oct 2018	May 2019	Oct 2019	Mar 2020
Share price	21.5p	10.75p	21.375p	9.25p	12.875p	7.75p	7.75p	10.05p	10.875p	12.375p	14.5p
Exercise price	10p	10p	20p	20p	10p	10p	7.75p	10p	10.25p	12p	14p
Volatility	88.97%	51.88%	102.79%	50.07%	54.34%	38.24%	64.00%	72.75%	46.85%	32.73%	85.55%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.97%	1.97%	1.80%	0.60%	1.00%	1.34%	1.26%	1.46%	0.89%	0.71%	0.36%
Expected option life	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years

The fair values of the options granted were determined using a variation of the Black-Scholes model, incorporating the dilutive effects of the options. Share price volatility is determined by calculating the historic volatility over the prior six month period. In addition, the model was amended for the market-based options to incorporate the probability of the 50p trigger being met, with this being done by pricing an Up & In call option with a barrier set at 50p. The Earnings per share options are estimated to have a 50% to 100% probability of meeting the earnings per share conditions over the required vesting periods and this was incorporated in determining the number of options expected to vest.

Options and weighted average exercise prices are as follows for the reporting periods presented:

	Market-based options		Earnings per share options	
	Number	p	Number	p
Outstanding at 1 April 2019	1,222,571	17	54,620,554	11
Granted	–	–	13,590,000	10
Transferred	(1,183,332)	10	1,183,332	10
Lapsed	–	–	(1,086,328)	11
Outstanding at 31 March 2020	**39,239**	**236**	**68,307,558**	**10**
Exercisable at 31 March 2020	**39,239**	**236**	**38,412,556**	**11**

In May 2020 employees chose to exercise 6,427,565 of the above exercisable share options.

29 Share-based Payment Transactions continued

Standard warrants

The Company issued 2,822,454 warrants as part of a share placing on 4 July 2014, of which 1,411,427 expired in July 2017. The warrants have a conversion price of 11p per share.

At 31 March 2020, the following options were outstanding in respect of ordinary shares:

Date of grant	Exercise period	2020 Number	2019 Number
4 July 2014	4 July 2014 to 3 July 2020 (By agreement extended by 1 year)	**1,411,427**	1,411,427

The fair values of the warrants granted were determined using a variation of the Black-Scholes model, incorporating the dilutive effects of the warrants. The following principal assumptions were used in the valuations, based on independently sourced information:

	Standard warrants
Share price	11p
Volatility	102.62%
Dividend yield	0%
Risk-free interest rate	1.779%
Expected option life	3 years

Options and weighted average exercise prices are as follows for the reporting periods presented:

	Number of share options	Weighted average exercise price p
Outstanding at 1 April 2019	1,411,427	11
Expired	–	–
Outstanding at 31 March 2020	**1,411,427**	**11**
Exercisable at 31 March 2020	**1,411,427**	**11**

In May 2020 the warrants over 1,411,027 ordinary shares were exercised.

30 Thermo Fisher Scientific Loan and Warrants

Thermo Fisher 2016 & March 2017 warrants

On 22 September 2016, the Group granted two further tranches of warrants to Thermo Fisher on the same terms. These are respectively the 2016 and March 2017 warrants.

The 2016 warrants issued by the Group on 22 September 2016 are over 17,094,018 shares with an exercise price of 11.7p per share and a term of 7.25 years.

The March 2017 warrants issued by the Group on 31 March 2017 are over 16,913,319 shares with an exercise price of 11.825p per share and a term of 6.75 years.

Application of IAS 32/IAS 39

The Group assessed the accounting treatment of the warrants and concluded, having considered the terms of all of the warrants, that they represented equity instruments. The warrants are accounted for at fair value on inception in accordance with IAS 32. February 2019 Corporate and commercial restructure

In February 2019 the Group agreed a corporate and commercial restructure of its relationship with Thermo Fisher, through its Life Technologies subsidiary. As part of the restructure, Thermo Fisher exercised some of the warrants it was holding. The notional £3.8m proceeds of this warrant conversion were offset against outstanding loans owed by the Group to Thermo Fisher. The second part of the restructure was the cancellation of £9.4m of debt being all remaining borrowings owing to Thermo Fisher, including any accrued interest. All security held by Thermo Fisher associated with these loans was also cancelled. The third part of the restructure was a new Commercial Agreement between the parties which gave Thermo Fisher certain exclusive commercial rights in specified South East Asian countries for a period of 3 years until 2022, and Thermo Fisher entered into a Lock-in Deed for its converted warrant shares for the same period. Under the terms of the Commercial Agreement the Group will pay a modest sales commission, once it achieves positive cash flows. This commission is capped at £6.5m. In addition, the Group agreed to a £6.5m contingent liability as described below. Future share gains made by Thermo Fisher on the converted warrants will initially lower the commission cap and, once that is fully satisfied, will erode the contingent liability until that is extinguished. As at 31 March 2020, the share price gains achieved since the warrants were exercised was £2.7m and, if sustained, the commission cap would be reduced by this amount.

Contingent liability

A part of the February 2019 restructure was the creation of a £6.5 million contingent liability, which is payable by the Company to Thermo Fisher only in the event of a sale of the Company or an insolvency event.

Warrants outstanding

At 31 March 2020, the following warrants were outstanding in respect of ordinary shares:

Date of grant	Exercise period	2020 Number	2019 Number
11 December 2015	11 December 2015 to 10 December 2023	**20,325,204**	20,325,204
22 September 2016	22 September 2016 to 10 December 2023	**17,094,018**	17,094,018
31 March 2017	31 March 2017 to 10 December 2023	**16,913,319**	16,913,319

The fair values of the warrants granted were determined using a variation of the Black-Scholes model, incorporating the dilutive effects of the warrants. The following principal assumptions were used in the valuations:

	2015 warrants	2016 warrants	2017 warrants
Share price	20.63p	10.625p	11.625p
Exercise price	24.6p	11.7p	11.825p
Volatility	68%	48.63%	59%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.74%	0.6%	0.979%
Expected option life	8 years	7.25 years	6.75 years

Options and weighted average exercise prices are as follows for the reporting periods presented:

	Number of share options	Weighted average exercise price p
Outstanding at 1 April 2018	95,688,706	13
Granted	41,356,165	9
Outstanding at 31 March 2019	**54,332,541**	**17**
Granted	–	–
Outstanding & exercisable at 31 March 2020	**54,332,541**	**17**

31 Analysis of Changes in Net Cash/(Debt)

	1 April 2018 £	Cash flow £	Exchange movements £	Other non-cash movements £	31 March 2019 £
Cash and bank balances	1,250,362	1,513,755	–	–	**2,764,117**
Thermo Fisher Loan see note 21 / 30	–	–	–	–	**–**
Bank Loan see note 21	(285,690)	197,503	(258,272)	(16,159)	**(362,618)**
Net cash / (debt)	964,672	1,711,258	(258,272)	(16,159)	**2,401,499**

32 Related Party Transactions

Key management personnel are considered to be the Directors; their emoluments are disclosed in note 9.

During the period the Group was charged £71,863 (2019: £100,001) in relation to the Directors' fees and fundraising consultancy fees of Mr. A Reynolds, a Director of the Company by Reyco Limited. At the period end £NIL (2019: £NIL) was due to Reyco Limited in respect of these costs.

During the period the Group was charged £30,000 (2019: £30,000) in relation to the Directors' fees of Mr. N Mustoe. At the period end £NIL (2019: £7,500) was due to Mr. Mustoe in respect of these costs.

During the period the Group was charged £17,485 (2019: £nil) in relation to the Directors' fees of Mr. J Seaton, a Director of the Company by Seaton Life Science Advisors. At the period end £2,500 (2019: £nil) was due to Seaton Life Science Advisors in respect of these costs.

All services were charged on an arm's length basis.

33 Controlling Party

The Company does not have an ultimate controlling party.

34 Events After the Reporting Date

After the reporting date 1,411,427 warrants were exercised at a price of 11 pence, and 6,437,565 share options were exercised at a price of 10 pence. The new shares issued to satisfy these exercises raised £799k for the Company. Following the issue of these new shares on 26 May 2020 the enlarged issued share capital of the Company comprised 624,331,197 ordinary shares of 0.1p each. On 19 June 2029 an additional 470,000 share options under the Group's existing share option scheme issued to two employees.

On 3 July 2020 the Company completed the acquisition of Ex5 Genomics Ltd, a small UK-based research services company for an initial cash consideration of £275,000, with a further potential cash earn-out potential of up to £275,000. It is anticipated that this acquisition will be accounted for as the purchase of property, plant and equipment and an intangible asset in the form of customer relationships, as the Company does not deem it meets the criteria for IFRS 3 Business Combinations.

Since the reporting date, and just prior, the Group has been contending with the global COVID-19 pandemic. The effects of this on the Group have been some logistical challenges for shipments to customers and staff travel to customer locations, as well as local adjustments required to allow the Group's various operating sites to adapt to local lockdowns and related disruptions. Some customers have diverted resources to COVID-19 testing activities. Overall the Group has managed this turbulence effectively in an otherwise robust sector of medical diagnostic testing. The Group has also identified commercial opportunities to support the global response to the virus through the provision of contract manufacturing services to a COVID-19 test manufacturer, the launch of COVID-19 testing services from its Manchester site, and from the launch of its own Clarigene™ SARS-CoV-2 test in June 2020.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Non-current assets			
Property, plant and equipment	3	**211,003**	108,233
Right-of-use asset	6	**2,956,495**	–
Investments	4	**20,302,344**	9,562,042
		23,469,842	9,670,275
Current assets			
Trade and other receivables	5	**15,628,787**	10,139,715
Deferred Tax asset		**–**	–
Cash and cash equivalents		**350,142**	13,965
		15,978,929	10,153,680
Current liabilities			
Trade and other payables	7	**1,964,581**	711,228
Lease Liabilities	6	**300,511**	–
Other Liabilities and Provisions	8	**512,554**	–
		2,777,646	711,228
Net current assets		**13,201,283**	9,442,452
Non-current liabilities			
Lease Liabilities	6	**2,710,123**	–
Other Long term Liabilities and Provisions	8	**956,324**	–
		3,666,447	–
Net assets		**33,004,678**	19,112,727
Equity			
Called up share capital	11	**32,561,452**	32,403,969
Share premium account	12	**51,179,685**	37,971,265
Merger relief reserve	12	**12,937,797**	10,012,644
Warrants reserve	12	**3,069,382**	3,069,382
Retained losses	12	**(66,743,638)**	(64,344,533)
Total equity		**33,004,678**	19,112,727

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these statements. The Company's loss after tax was £4,000,851 (2019: profit £6,448,783).

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2020 and are signed on its behalf by:

Adam Reynolds
Chairman
Company Registration No. 03971582

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

	Notes	Share capital £	Share premium account £	Warrants reserve £	Merger relief reserve £	Retained losses £	Total £
Balance at 31 March 2018		32,266,188	28,482,061	4,085,546	10,012,644	(72,060,484)	2,785,955
Year ended 31 March 2019:							
Profit and total comprehensive profit for the year		–	–	–	–	6,448,783	6,448,783
Transactions with owners							
Issue of share capital (cash)		137,781	9,716,143	–	–	–	9,853,924
Warrants issued		–	–	(1,016,164)	–	1,016,164	–
Share-based payment		–	–	–	–	251,004	251,004
Share issue expenses		–	(226,939)	–	–	–	(226,939)
Balance at 31 March 2019		32,403,969	37,971,265	3,069,382	10,012,644	(64,344,533)	19,112,727
Year ended 31 March 2020:							
Loss and total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(4,000,851)**	**(4,000,851)**
Transactions with owners							
Issue of share capital	11	**132,902**	**14,197,534**	**–**	**–**	**–**	**14,330,436**
Issue of share capital on acquisition		**24,581**	**–**	**–**	**2,925,153**	**–**	**2,949,734**
Warrants issued		**–**	**–**	**–**	**–**	**–**	**–**
Share-based payment	10	**–**	**–**	**–**	**–**	**1,601,746**	**1,601,746**
Share issue expenses		**–**	**(989,114)**	**–**	**–**	**–**	**(989,114)**
Balance at 31 March 2020		**32,561,452**	**51,179,685**	**3,069,382**	**12,937,797**	**(66,743,638)**	**33,004,678**

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flow from operating activities		
Profit (Loss) for the year before tax	**(4,000,851)**	6,448,783
Adjustments for:		
Finance costs	**115,072**	1,247,889
Finance income	**(402,982)**	(357,222)
Loan payable waived	**–**	(9,389,210)
Depreciation and impairment of property, plant and equipment	**104,521**	152,791
Depreciation and impairment of right-of-use asset	**305,437**	–
Loss on disposal of property, plant and equipment	**–**	469
(Gain) / Loss on Revaluation of right-of-use asset	**(26,002)**	–
Share-based payment and warrant expense	**1,601,746**	251,004
Decrease in provisions	**–**	(780,000)
Foreign exchange movement	**17,978**	308,948
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**(5,089,685)**	(3,345,347)
Increase/(decrease) in trade and other payables	**1,253,352**	(1,125,573)
Net cash outflow from operating activities	**(6,121,414)**	(6,587,468)
Investing activities		
Purchase of property, plant and equipment	**(207,290)**	–
Purchase of subsidiaries	**(6,339,667)**	–
(Investment)/reduction in short-term financial assets	**–**	475,385
Interest received	**3,595**	357,222
Net cash used in investing activities	**(6,543,362)**	832,607
Financing activities		
Net proceeds from issue of shares	**13,341,321**	9,626,985
Proceeds from borrowings	**–**	128,992
Repayment of borrowings	**–**	(3,989,254)
Repayment of Lease liability obligations	**(225,296)**	–
Interest paid	**(115,072)**	(2,002)
Net cash generated from financing activities	**13,000,953**	5,764,721
Net decrease in cash and cash equivalents	**336,177**	9,860
Cash and cash equivalents at beginning of year	**13,965**	4,105
Cash and cash equivalents at end of year	**350,142**	13,965

1 Accounting Policies

Company information

Yourgene Health PLC (the Company), is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Citylabs 1.0 Nelson Street, Manchester, England, M13 9NQ

Accounting convention

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Financial Statements have been prepared under the historical cost convention, except for those transactions recognised at fair value as detailed below.

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

(a) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) Paragraph 79(a)(iv) of IAS 1;
  (ii) Paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.

(b) The requirements of paragraphs 10(d), 10(f), 39(c) and 134–136 of IAS 1 'Presentation of Financial Statements' and the requirements of IAS 7 'Statement of Cash Flows'.

(c) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(d) The requirements of IFRS 7 'Financial Instruments: Disclosures'.

(e) The requirements of paragraph 17 of IAS 24 'Related Party Disclosures'.

(f) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

The principal accounting policies adopted are set out below.

Going concern

See note 1 to the Consolidated financial statements for the Group's going concern policy.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable for management services provided and is shown net of VAT and other sales related taxes. Revenue is recognised when services are provided.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided to write off the cost, less estimated residual values, of all non-current assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold land and buildings	20% straight line
Plant and equipment	20%–25% straight line

Non-current investments

Investments held as fixed assets are stated at cost less any provision for impairment. The investments are reviewed for impairment at the balance sheet date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Impairment of tangible and intangible assets

Property, plant and equipment are reviewed for impairment at the balance sheet date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Fair value measurement
IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets
Financial assets are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are measured subsequent to initial recognition at amortised cost using the effective interest rate method.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired (a) where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, or (b) where there are expected credit losses in the next reporting period as required by IFRS 9.

De-recognition of financial assets
Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liabilities
Financial liabilities are de-recognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1 Accounting Policies continued

Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account 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. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

Where share-based options are awarded to employees of subsidiaries the charge in respect to the share-based payments is treated as a capital contribution and forms part of the investment in that subsidiary.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. The adoption of the IFRS 16 standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months.

Foreign exchange

The functional currency of the Company is Pounds Sterling. Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet dates. Any differences are taken to the income statement.

Thermo Fisher Scientific concurrent loans and warrants

On 11 December 2015, the Group entered into a share warrant agreement with Thermo Fisher, issuing warrants over 20,325,204 shares to Thermo Fisher. The warrants have an exercise price of 24.6p per share, and have a term of eight years. On 22 September 2016, the Group granted two further tranches of warrants to Thermo Fisher on the same terms. These are respectively the 2016 and March 2017 warrants. The Group assessed the accounting treatment of the warrants based on their fair values. In February 2019 Thermo Fisher converted two tranches of warrants into ordinary shares and cancelled all remaining loans as part of a commercial and corporate restructuring as described in note 30 to the consolidated financial statements.

2 Critical Accounting Estimates and Judgements

The preparation of the Company's Financial Statements requires the Company to make estimates and judgements that effect the application of policies and reported amounts. In applying these policies the Directors are required to make estimates and subjective judgements that may affect the reported amounts of assets and liabilities at the reporting date and reported profit or loss for the period. Although the Directors base these on a combination of past experience and any other evidence that is relevant to the particular circumstance, the actual results could ultimately differ from those estimates.

Included in the note are accounting policies which cover areas that the Directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period. These policies together with references to the related notes to the Financial Statements can be found below:

Critical judgements

Note 3 to the consolidated financial statements describes those judgements which affect the Group's consolidated accounts. Company-specific critical judgements are noted below.

Impairment and investments

Investments and amounts receivable from subsidiaries are held subject to impairment review. The Group's management undertakes an impairment review annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Prior year impairments have also been reviewed to assess whether the conditions for impairment remain in place or if there are sufficient grounds to reverse some or all of the impairments made. No impairment reversals have been deemed appropriate in the current reporting period.

Growth rates

The value in use of the investment is calculated from cash flow projections for the relevant entity based on financial projections covering a period of five years plus a terminal value, assumed growth rates and discount rates relevant to the individual entity.

Discount rates

The pre-tax discount rate used for the purpose of impairment assessment for Yourgene Health UK Ltd is 13%, derived from the average effective interest rate calculated over the life of the Thermo Fisher loan instruments, which is deemed to be a reasonable proxy for the weighted average cost of capital. For the Company's investments in Yourgene Health UK Ltd (formerly Premaitha Ltd), Yourgene Health Taiwan (formerly Yourgene Bioscience), Elucigene and AGX-DPNI a discount rate of 13% was also used for consistency. These discount rates were benchmarked against externally available cost of capital data for Western Europe and Emerging Markets respectively and are deemed to be therefore representative.

Cash flow assumptions

The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected cash flows. Changes in revenues and expenditures are based on past experience and expectations of future growth.

In respect of the value in use of the investments in Yourgene Health Taiwan, the headroom compared to the carrying value of the investment is £28m, and remains significantly in excess of the carrying value at discount rate sensitivities of over 30%. The investment in Yourgene Health UK Ltd was fully impaired in 2018 and despite substantial growth in the year it is deemed appropriate to retain this impairment until the subsidiary demonstrates sustained profitability, and after the completion of a merger with Delta Diagnostics UK Ltd which could materially affect the investment values carried by the Company in its UK trading affiliate.

3 Property, Plant and Equipment

	Leasehold land and buildings £	Plant and equipment £	Computer software £	Total £
Cost				
At 31 March 2018	107,523	525,455	–	632,978
Disposals	–	(1,254)	–	(1,254)
At 31 March 2019	107,523	524,201	–	631,724
Additions	150,308	20,878	36,104	207,290
At 31 March 2020	**257,831**	**545,079**	**36,104**	**839,014**
Accumulated depreciation and impairment				
At 31 March 2018	53,761	317,723	–	371,484
Charge for the year	21,505	131,286	–	152,791
Eliminated on disposal	–	(785)	–	(785)
At 31 March 2019	75,266	448,224	–	523,490
Charge for the year	30,931	73,590	–	104,521
Eliminated on disposal	–	–	–	–
At 31 March 2020	**106,197**	**521,814**	**–**	**628,011**
Carrying amount				
At 31 March 2020	**151,634**	**23,265**	**36,104**	**211,003**
At 31 March 2019	32,257	75,977	–	108,234

4 Investments

	Current		Non-current	
	2020 £	2019 £	**2020 £**	2019 £
Investments in subsidiaries	**–**	–	**20,302,344**	9,562,042

Movements in non-current investments

	Shares £
Cost	
At 1 April 2019	9,562,042
Investment in subsidiaries	
Additions	10,740,302
At 31 March 2020	**20,302,344**
Carrying amount	
At 31 March 2020	**20,302,344**
At 31 March 2019	9,562,042

Refer to note 18 to the consolidated financial statements for details of subsidiary entities.

5 Trade and Other Receivables

	Current	
	2020 £	2019 £
Trade and other receivables	**123,212**	22,647
VAT recoverable	**115,338**	29,634
Amounts due from subsidiary undertakings	**15,229,426**	9,871,566
Prepayments	**160,810**	215,868
	15,628,787	10,139,715

Amounts due from subsidiary undertakings were assessed in accordance with IFRS 9. As all entities continue to trade and to grow revenues, all operate in stable economic situations and none have any significant onerous contracts which might give rise to potential impairment events, it is deemed that there is no significant increase in credit risk and that a 12-month Expected Credit Losses assessment is appropriate, as defined by IFRS 9. Expected credit losses in the next 12 months are deemed to be zero as the conditions for partial default are not deemed to be present.

6 Leases

Lease liabilities

The Company has a number of leases for property. On adoption of IFRS 16 it recognised lease liabilities in relation to property leases which had previously been classified as operating leases under the principles of IAS 17 Leases. The lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was based on comparable loan interest rates in the relevant jurisdiction where the lease is operable.

	Lease liability £
At 1 April 2019 on transition	**1,104,101**
Additions	**2,817,382**
Business combinations	**–**
Lease Payments	**(336,014)**
Interest Expense	**110,718**
Terminations and amendments	**(685,553)**
Foreign currency adjustments	**–**
At 31 March 2020	**3,010,634**
Current	**300,511**
Non-current	**2,710,123**
At 31 March 2020	**3,010,634**

Right-of-use assets

Right-of-use assets for these property leases were measured at the amount equal to the lease liability as at the IFRS 16 adoption date.
There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	Right-of-use asset: property £
Cost	
At 1 April 2019 on transition	**1,104,101**
Additions	**2,817,382**
Business combinations	**–**
Transfer	**–**
Terminations and amendments	**(777,176)**
Foreign currency adjustments	**–**
At 31 March 2020	**3,144,307**
Accumulated depreciation and impairment	
Charge for the year	**305,437**
Transfer	**–**
Eliminated on termination and amendment	**(117,626)**
Foreign currency adjustments	**–**
At 31 March 2020	**187,811**
Carrying amount	
At 31 March 2020	**2,956,496**

Changes to property leases after 1 April 2019

Some of the property leases have been surrendered and others renegotiated with extended terms. The property lease restructure was completed in September 2019. A further UK property lease was taken out in March 2020 due to the integration and expansion of the UK business.

7 Trade and Other Payables

	Current		Non-current	
	2020 £	2019 £	2020 £	2019 £
Trade payables	**601,861**	530,861	**–**	–
Amounts due to fellow Group undertakings	**1,181,100**	–	**–**	–
Accruals	**128,582**	149,603	**–**	–
Social security and other taxation	**32,475**	30,764	**–**	–
Other payables	**20,563**	–	**–**	–
	1,964,581	711,228	**–**	–

Refer to note 21 to the consolidated financial statements for further details on the non-current liabilities.

8 Provisions for Liabilities

	2020 £	2019 £
Current liabilities		
Acquisition – additional consideration	**512,554**	–
Non-current liabilities		
Acquisition – additional consideration	**956,324**	–

For further details on the nature of provisions see note 22 of the consolidated financial statements.

Movements on provisions

	Acquisition additional consideration £
At 1 April 2019	–
Release of provision	–
Increase in provision	1,468,878
At 31 March 2020	**1,468,878**

9 Retirement Benefit Schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £38,090 (2019: £19,527).

10 Share-based Payment Transactions

As detailed in note 29 to the consolidated financial statements the Company issues share options and warrants to both its own employees and employees of its subsidiary.

11 Share Capital

For details of share capital see note 28 of the consolidated financial statements.

12 Reserves

Refer to note 28 to the consolidated financial statements.

13 Related Party Transactions

No guarantees have been given or received.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with entities that are wholly owned subsidiaries of Yourgene Health PLC.

There are no other related party transactions other than those relating to Directors that have been disclosed in note 32 to the consolidated statements.

14 Controlling party

The Company does not have an ultimate controlling party.

15 Events After the Reporting Date

After the reporting date 1,411,427 warrants were exercised at a price of 11 pence, and 6,437,565 share options were exercised at a price of 10 pence. The new shares issued to satisfy these exercises raised £799k for the Company. Following the issue of these new shares on 26 May 2020 the enlarged issued share capital of the Company comprised 624,331,197 ordinary shares of 0.1p each.

On 3 July 2020 the Company completed the acquisition of Ex5 Genomics Ltd, a small UK-based research services company for an initial cash consideration of £275,000, with a further potential cash earn-out potential of up to £275,000. It is anticipated that this acquisition will be accounted for as the purchase of property, plant and equipment and an intangible asset in the form of customer relationships, as the Company does not deem it meets the criteria for IFRS 3 Business Combinations.

Autosomal aneuploidies	Aneuploidy is the presence of an abnormal number of chromosomes in a cell, but not including the sex chromosome aneuploidies. An extra or missing chromosome is a common cause of some genetic disorders. Some cancer cells also have abnormal numbers of chromosomes.
Amniocentesis	An invasive diagnostics procedure that involves removing and testing a small sample of cells from the amniotic fluid. It is offered to pregnant women if there is a high risk that the fetus could have a genetic condition, it carries a small risk of miscarriage.
Cystic Fibrosis (CF)	Cystic Fibrosis is a genetic disorder that affects mostly the lungs, but also the pancreas, liver, kidneys, and intestine. Long-term issues include difficulty breathing and coughing up mucus as a result of frequent lung infections.
CVS	Chorionic Villus sampling (CVS) is a prenatal test that is used to detect birth defects, genetic diseases, and other problems during pregnancy. During the test, a small sample of cells (called chorionic villi) is taken from the placenta.
Fetal Fraction	Fetal fraction is the amount of the cell-free DNA in the maternal blood that is of fetal origin compared to maternal origin. If the fetal fraction is too small a NIPT screening will not produce a result.
IFU	Instructions For Use – a detailed document that explains how to use the kit within the lab for that intended use
IVD	'*In vitro*' diagnostic.
Male Factor Infertility (MFI)	Inability to conceive conception after 12 months due to the presence of some genetic mutations in the male partner.
Microdeletion	A small, missing (or 'deleted') piece of a chromosome is called a microdeletion. Microdeletions are usually not inherited from a parent. Some microdeletions cause intellectual disability and birth defects, while others have little impact on a child's health and life.
Mutation	A mutation is a change that occurs in our DNA sequence, either due to mistakes when the DNA is copied or as the result of environmental factors.
Next Generation Sequencing (NGS)	Next Generation Sequencing is also known as high-throughput sequencing, is the catch-all term used to describe a number of different modern sequencing technologies that has revolutionised the study of genomics and molecular biology.
NHS	National Health Service in the UK.
NIPT	Non-invasive prenatal test.
PCR	Polymerase Chain Reaction.
Plasma	Plasma is the largest single component of blood and makes up about 55% of total blood volume. It is a clear, straw-coloured liquid and it carries the DNA.
Precision Medicine	Precision medicine is an emerging approach for disease treatment and prevention that takes into account individual variability in genes, environment, and lifestyle for each person. This approach will allow doctors and researchers to predict more accurately which treatment and prevention strategies for a particular disease will work in which groups of people.
Sex aneuploidy	Sex chromosome aneuploidies are conditions in which there is a change from the usual two copies of sex chromosomes in males (XY) or females (XX). These conditions may cause mental or physical defects, with different levels of severity.
Thrombosis	The formation of a blood clot inside a blood vessel, obstructing the flow of blood through the circulatory system.

COMPANY INFORMATION

Directors	Adam Reynolds	Chairman
	Dr Stephen Little	Vice Chairman
	Nicholas Mustoe	Non-executive Director
	Dr John Brown CBE	Non-executive Director
	Jonathan Seaton	Non-executive Director
	Lyn Rees	Chief Executive Officer
	Dr Bill Chang	Chief Scientific Officer
	Barry Hextall	Chief Financial Officer
	Hayden Jeffreys	Chief Operating Officer
Company Secretary and Registered Office	Barry Hextall Citylabs 1.0 Nelson Street Manchester M13 9NQ	
Nominated Adviser	Cairn Financial Advisers LLP Cheyne House Crown Court 62–63 Cheapside London EC2V 6AX	
Broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET	
Independent Auditor	Saffery Champness LLP City Tower Manchester M1 4BT	
Solicitors	Addleshaw Goddard LLP One St Peter's Square Manchester M2 3DE	
Financial PR	Walbrook PR Ltd 4 Lombard Street London EC3V 9HD	
Bankers	The Royal Bank of Scotland Group Commercial Banking 1st Floor 1 Hardman Boulevard Manchester M3 3AQ	
Registrars	Link Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Company number	03971582	
Country of Incorporation of Parent Company	England	

Designed and produced by emperor
Visit us at **emperor.works**

YOURGENE HEALTH PLC

Citylabs 1.0
Nelson Street
Manchester
M13 9NQ, UK

T: +44 (0) 161 669 8122
Investors@yourgene-health.com
www.yourgene-health.com