

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 28th February 2022
for
Umuthi Healthcare Solutions Plc**

Umuthi Healthcare Solutions Plc

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FOR THE YEAR ENDED 28TH FEBRUARY 2022**

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Umuthi Healthcare Solutions Plc

Company Information

FOR THE YEAR ENDED 28TH FEBRUARY 2022

Directors: S Gresse
G P Viljoen

Secretary: Cargil Management Services Limited

Registered office: 27-28 Eastcastle Street
London
United Kingdom
W1W 8DH

Registered number: 11208220 (England and Wales)

Auditors: Johnsons, Chartered Accountants
Statutory Auditor
1-2 Craven Road
Ealing
London
W5 2UA

Principal activity

Umuthi Healthcare, the company's subsidiary (together "Umuthi"), is a technology led healthcare business based in South Africa, focused on the distribution of pharmaceuticals and the provision of medical facilities in remote areas.

Company Overview

Umuthi is a revolutionary healthcare group which combines healthcare and technology in a seamless platform which has been developed by its experienced management team over the past 10 years. This MedTech model is exciting in terms of market trends and leading-edge technology.

Umuthi currently has its main operations in South Africa but is looking to expand organically and by way of acquisition in the regions of Africa and Europe.

Whilst operating in a highly regulated environment and as a result of South Africa having clusters of highly developed cities and expansive rural areas, general practitioners ("GPs") are required to dispense medicines from their consulting rooms. Large pharmaceutical manufacturers and suppliers are not permitted to transact with dispensing practitioners directly and therefore obligated to use distribution entities with the applicable licenses, therein providing an opportunity for companies such as Umuthi to provide the warehousing and distribution capabilities to dispensing practitioners. Umuthi has access to a vast range of medical dispensing practices and clinics in Africa via V Professional Services which is a medical bureau administering medical practices across South Africa.

Company Highlights:

-Umuthi's technology platform, which has been developed over many years, utilises a highly innovative mobile application available to download on any smartphone

-The Company is launching its proprietary app which bypasses traditional distributors and trades directly with healthcare suppliers with a direct-to market solution with standardized fulfilment and distribution services, which are fully integrated with both multi-channel order management and accounts receivable capabilities.

-The bespoke platform enables the Group to pursue joint ventures with other companies and groups for providing access to the distribution network which is highly scalable for future growth and the need for medical services across Africa.

Objectives & Business Strategy

Lems, which commenced trading in January 2017 and was acquired by Umuthi in January 2019 pursuant to the Share Exchange Agreements, supplies prescription and other medicines to medical practitioners and health centres with onsite dispensaries in rural and non-rural areas of South Africa.

The Directors believe that the Group's strategy reflects anticipated changes to medical environments. Already, a growing number of inpatient health care services are being pushed to the home and outpatient ambulatory facilities; however, many complex and very ill patients will continue to need sub-acute (step down) inpatient services. With ageing infrastructure in some countries and demand for more beds in others, the Group plans to develop its business with a view to improving inpatient and outpatient service connections with consumers and integrating digital technologies into traditional hospital services.

Current & Proposed Activities

The Group comprises a technology enabled healthcare business, which is principally undertaken by Lems, which delivers medical products to medical practitioners in South Africa.

The operating subsidiary, Lems, incorporated in South Africa, supplies prescription and other medicines (known under South African regulations as "schedule 1-6 medicines") to medical practitioners and health centres with onsite dispensaries in rural and non-rural areas of South Africa.

The Directors have, among other things, relevant experience in the supply and distribution of pharmaceutical products and medicines in South Africa as well as in pharmaceutical licensing. The business is not subject to seasonal risks and the Directors believe that there will always be the requirement for medical facilities and suppliers of medicines for healthcare professionals.

Lems Application

Lems plans to utilise the Lems App which has been designed to enhance its product delivery offering by providing its product catalogue online to customers and enabling them to view their order status and track deliveries. The Lems App is a healthcare platform which combines up to date infrastructure and software with professional medical and laboratory devices.

This app bypasses traditional distributors and trades directly with healthcare suppliers with a direct-to-market solution. The app has standardized fulfilment and distribution services, which are fully integrated with both multi-channel order management and accounts receivable capabilities. Significant development has gone into the app, inter alia to interface with updated medicine lists, updated weekly on the back end. General practitioners select the required order in app and attend to payment through technology-based payment portals. In a manner not dissimilar to food delivery apps, delivery is outsourced to medical courier companies, ensuring the risks and costs of delivery is not borne by Umuthi.

The interactive nature of the app allows for a seamless onboarding procedure of a client or pharmacy. The app will not only work for urban pharmacies and clients but will also cater directly to rural dispensing clients who currently have to drive far distances to the closest dispensing warehouse which is inefficient and reduces the time that can be spent on seeing patients and increasing revenue. The app also includes an interactive monitoring of minimum stock levels in the client's dispensary. When minimum stock labels are reached, the app will generate a notification to the client of an order to be placed.

Medical wholesalers are unable to compete on price and, by offering the Lems App, the Directors believe the Group will distinguish itself from competitors as well as enhancing cash flow, as all in-app payments are virtually instantaneous.

Market and Competitive Environment

Pharmaceutical demand worldwide was estimated at \$1.25 trillion in 2019, of which 22% of that was in emerging markets. It is expected that growth in emerging markets will be driven by three primary trends:

-volume growth of inexpensive generic medicines used to treat chronic diseases such as diabetes, cancer, heart disease and HIV in a growing and ageing population. This is particularly added to by the likelihood that the ageing population will survive for longer, despite suffering chronic diseases such as those listed;

-an increased ability of the population to pay for needed medicines, including through government supported programmes and/or charities and other donor supported initiatives; and

-the rise of urban middle classes, who are able to increase household spending. This should lead to an increase both in the number of people with health insurance, and also in the ability of households to pay for needed medication or supplies where insurance is not in place. This also leads to an increased demand for higher quality goods and services from an increasingly well-informed consumer group.

Supply chains of drugs and medical supplies are typically complex, with differing regulatory regimes and licensing laws potentially applying at different stages. In addition, visibility in these supply chains is often low, with little to no prior notice of deliveries. In addition, certain drugs require careful handling within temperature controlled environments to ensure their safety. A breakdown of the supply chain could lead to such medicines being compromised, and therefore lead to a risk that consumers will receive low quality goods, or that the medicines will be unusable and therefore wasted costs.

Within Africa, the population of approximately 800 million (approximately 12% of global population) is estimated to bear a disproportionately high (estimated to be approximately 24%) of the global disease burden. This includes an estimated 22 million people with HIV, which represents approximately 67% of the global figure, and a high infant mortality death, of approximately 50% of global deaths of children under five years old. (source: IMF, World Bank, African Development Bank) This is thought to be in part due to the difficulties in ensuring that medication and supplies are provided; the World Health Organisation estimates that more than 6.3 million children under the age of five die every year due to conditions that could be prevented or treated with simple, affordable medical care. Access to this medical care is made more difficult by transportation issues, including the "last mile" problem, which the Group's proposed drone technology could work to overcome.

Umuthi Healthcare Solutions Plc

**Strategic Report
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

African economies are growing faster than the economies of all other continents and approximately one third of the countries are seeing annual GDP growth of more than 6% (source: IMF, World Bank, African Development Bank)
In South Africa the standard sale price of pharmaceuticals is fixed by the South African Medicines Control Council.
Umuthi Healthcare Solutions Plc

On behalf of the board:



.....
G P Viljoen - Director

Date: 11 November 2022

**Report of the Directors
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

The directors present their report with the financial statements of the company for the year ended 28th February 2022.

Directors

The directors shown below have held office during the whole of the period from 1st March 2021 to the date of this report.

S Gresse
G P Viljoen

Other changes in directors holding office are as follows:

C Bloom - resigned 13th September 2021
P J Grimes - resigned 25th August 2021

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether the Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Statement as to disclosure of information to auditors


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Johnsons, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



.....
G P Viljoen - Director

Date: 11 November 2022

Report of the Independent Auditors to the Members of Umuthi Healthcare Solutions Plc

Opinion

We have audited the financial statements of Umuthi Healthcare Solutions Plc (the 'company') for the year ended 28th February 2022 which comprise the Statement of profit or loss, the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and Notes to the statement of cash flows, 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 UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28th February 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Emphasis of matter

The going concern of the group is reliant on the support of Mr G P Viljoen who has provided a letter of support to us. However we are unable to establish Mr G P Viljoen's wealth and ability to support the group.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic report and the Report of the directors, but does not include the financial statements and our Report of the auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Umuthi Healthcare Solutions Plc

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 Report of the directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Report of the directors.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identification and assessment of potential risks

In identifying and assessing potential risks related to irregularities in identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we conducted:

- Meetings throughout the year with those charged with governance and who review the company's internal ethics and compliance reporting summaries, including those concerning investigations;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's material policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance relating to the detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Our reviews of the company's remuneration policies, and key drivers for remuneration and bonus levels;
- Our assessment of the influence of public officials over the operations of the company including any material transactions with related parties and key individuals; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the Audit Director and staff who have extensive experience of working with companies in the same sectors as the company, and this experience was relevant to the discussion about where fraud risks may arise.

Risks arising from legal and regulatory frameworks

We are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on provisions of those areas that had a direct effect on the determination of material amounts and disclosures in the financial statements.

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from our work:

- Reviewing management override of controls;
- Testing the appropriateness of journal entries and other accounting adjustments;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated our assessment of the relevant laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Report of the Independent Auditors to the Members of
Umuthi Healthcare Solutions Plc**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the auditors.

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 a Report of the auditors 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.



Edmund Cartwright FCCA MAAT (Senior Statutory Auditor)
for and on behalf of Johnsons, Chartered Accountants
Statutory Auditor
1-2 Craven Road
Ealing
London
W5 2UA

Date: 11 November 2022

Umuthi Healthcare Solutions Plc

**Statement of Profit or Loss
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	Notes	2022 £	2021 £
Continuing operations			
Revenue		-	-
Administrative expenses		(122,426)	(23,555)
Operating loss		(122,426)	(23,555)
Loss before income tax		(122,426)	(23,555)
Income tax	5	-	-
Loss for the year		(122,426)	(23,555)

The notes form part of these financial statements

Umuthi Healthcare Solutions Plc

**Statement of Profit or Loss and Other Comprehensive Income
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	2022 £	2021 £
Loss for the year	(122,426)	(23,555)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(122,426)</u>	<u>(23,555)</u>

The notes form part of these financial statements

Statement of Financial Position
28TH FEBRUARY 2022

	Notes	2022 £	2021 £
Assets			
Current assets			
Trade and other receivables	10	11,400	2,000
Investments	11	86,999	86,999
		<u>98,399</u>	<u>88,999</u>
Total assets		<u>98,399</u>	<u>88,999</u>
Equity			
Shareholders' equity			
Called up share capital	12	101,400	92,000
Retained earnings	13	(495,347)	(372,921)
Total equity		<u>(393,947)</u>	<u>(280,921)</u>
Liabilities			
Current liabilities			
Trade and other payables	14	492,346	369,920
Total liabilities		<u>492,346</u>	<u>369,920</u>
Total equity and liabilities		<u>98,399</u>	<u>88,999</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 November 2022 and were signed on its behalf by:


.....
G P Viljoen - Director

The notes form part of these financial statements

Umuthi Healthcare Solutions Plc**Statement of Changes in Equity
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st March 2020	92,000	(349,366)	(257,366)
Changes in equity			
Total comprehensive income	-	(23,555)	(23,555)
Balance at 28th February 2021	<u>92,000</u>	<u>(372,921)</u>	<u>(280,921)</u>
Changes in equity			
Issue of share capital	9,400	-	9,400
Total comprehensive income	-	(122,426)	(122,426)
Balance at 28th February 2022	<u><u>101,400</u></u>	<u><u>(495,347)</u></u>	<u><u>(393,947)</u></u>

The notes form part of these financial statements

Umuthi Healthcare Solutions Plc**Statement of Cash Flows
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

		2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(17,768)	-
Net cash from operating activities		<u>(17,768)</u>	<u>-</u>
Cash flows from financing activities			
New loans in year - Subsidiary		8,368	-
Share issue		9,400	-
Net cash from financing activities		<u>17,768</u>	<u>-</u>
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		<u>-</u>	<u>-</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 28TH FEBRUARY 2022

1. **RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Loss before income tax	(122,426)	(23,555)
(Increase)/decrease in trade and other receivables	(9,400)	3,001
Increase in trade and other payables	114,058	20,554
Cash generated from operations	(17,768)	-

The notes form part of these financial statements

1. GENERAL INFORMATION

The Company was incorporated on 15 Feb 2018 as private company in England and Wales with Registered Number 11208220 under the Companies Act 2006. The Company re-registered as a plc. on 20 February 2019.

The Company has not yet commenced business and no dividends have been declared or paid since the date of incorporation. The address of its registered office is Eastcastle House, 27/28 Eastcastle Street, London, WIW 8DH.

The financial statements are prepared in accordance with applicable International Financial Reporting Standards ("IFRS") including standards and interpretations issued by the International Accounting Board, as adopted by the European Union.

The company has adopted IFRS since incorporation for the basis of preparing these financial statements.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. STATUTORY INFORMATION

Umuthi Healthcare Solutions Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The going concern basis is based on Mr G P Viljoen's ability to support the group.

3. ACCOUNTING POLICIES - continued

SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Prepayments are currently treated as current assets due to it consisting predominantly of costs attributed to the listing of the Company which is considered to be a certain event by the Board. These prepayments will be expenses in the period following the admission of the Company to trading.

Critical judgements in applying accounting policies

Management made critical judgements around the carrying value of the investment in Lems and any impairment considerations pertaining to the value of the value of the investment as well as with regard to the treatment of prepaid listing expenses.

Fair value estimation

Assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

Risk management Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio in 2021, 2020 respectively were as follows:

	2021	2020
Intercompany Loan	360,020	349,366
Other financial liabilities		
Less: Cash and cash equivalents		
Net debt		
Total equity	(268,020)	(257,366)
Total capital	(268,020)	(257,366)
Gearing ratio	134%	136%

Liquidity risk

3. **ACCOUNTING POLICIES - continued**

Cash flow forecasting is performed by the Company. The Company finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements for example, currency restrictions.

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity Companying's based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Company

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 29 February 2021				
Loan Account	360,020	-	-	-
Trade and other payables				
	Less than 1	Between 1 and	Between 2 and	
At 28 February 2020	year	2 years	5 years	Over 5 years
Loan account	349,366	-	-	-
Trade and other payables				

Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, changes in market interest rates do not have any significant direct effect on its income.

Credit risk

Credit risk is managed on a Company basis.

Foreign exchange risk

The Company operates in the UK and is not exposed to foreign exchange risk.

3. ACCOUNTING POLICIES - continued

NEW STANDARDS AND INTERPRETATIONS
Standards and interpretations effective and adopted in the current year

To all periods reported, the Company has adopted those standards and interpretations that are effective and that are relevant to its operations.

Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 March 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or After(*Subject to EU) endorsement	Expected impact:
IAS 28 Investments in associates and Joint Ventures: Annual Improvements	01 January 2018	No Impact
IAS 40 Investment Property: Transfers of Investment Property	01 January 2018	No Impact
IFRS 9 Financial Instruments	01 January 2018	No Impact
IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	No Impact
Amendments to IFRS 2: Clarification and Measurement of Share-based Payment Transactions	01 January 2018	No Impact
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	No Impact

3. **ACCOUNTING POLICIES - continued**

FINANCIAL INSTRUMENTS

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Listing costs are recognised initially as prepayments, due to the certainty that the Board has as it pertains to the Company being admitted for trading. Such costs will be expensed in the period following admission.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

3. **ACCOUNTING POLICIES - continued**

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Company of financial assets has been impaired.

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

TAXATION

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

GOING CONCERN

The financial information is prepared on a going concern basis as the directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the historical financial information). The directors have made enquiries with management and considered budgets and cash flow forecasts for the Company and the support of the controlling shareholder, and have, at the time of approving this Financial Information, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

3. ACCOUNTING POLICIES - continued

IMPAIRMENT OF ASSETS

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period
- tests goodwill acquired in a business combination for impairment annually.
- tests prepayments against the likelihood of the recoverability of the amounts, in relation to the culmination of a future event.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 28th February 2022 nor for the year ended 28th February 2021.

	2022	2021
	£	£
Directors' remuneration	-	-
	<u> </u>	<u> </u>

5. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 28th February 2022 nor for the year ended 28th February 2021.

6. **INVESTMENT IN LEMS PHARMACEUTICALS**

On 29 January 2019, the Company and Lems Pharmaceutical Limited entered into a share exchange agreement with each of the shareholders of Lems Pharmaceutical at that time, pursuant to which the Company agreed to purchase the entire issued share capital of Lems Pharmaceutical in exchange for the issue and allotment of 89,999,999 Ordinary Shares to the shareholders of Lems Pharmaceutical, pro rate to their holdings in Lems Pharmaceutical.

The Ordinary Shares were issued based on 1 Ordinary Share for each share held in Lems Pharmaceutical (after taking into account the subscriber shares of the Company). On completion of the agreement, Lems Pharmaceutical became a wholly owned subsidiary of the Company and the former shareholders of Lems Pharmaceutical held the Ordinary Shares in the same proportions as they had held shares in Lems Pharmaceutical.

7. **RELATED PARTIES**

There were no transactions with related parties for the reporting period save for the items disclosed in note 5 and note 1 to the Cash flow statement.

8. **SUBSEQUENT EVENTS**

On the 04/07/2022 The Financial Conduct Authority ("the FCA") removed the securities of Umuthi Healthcare Solutions PLC from being traded on the London Stock Exchange, a Recognised Investment Exchange.

9. **CONTROL**

G P Viljoen has significant control of Umuthi Healthcare Solutions Plc owning more than 38% of the shares.

10. **TRADE AND OTHER RECEIVABLES**

	2022	2021
	£	£
Current:		
Called up share capital not paid	11,400	2,000
	<u>11,400</u>	<u>2,000</u>

11. **INVESTMENTS**

	2022	2021
	£	£
Unlisted investments	86,999	86,999
	<u>86,999</u>	<u>86,999</u>

12. **CALLED UP SHARE CAPITAL**

Allotted and issued:			2022	2021
Number:	Class:	Nominal value:	£	£
101,400,000	Share capital 1	£0.001	101,400	92,000
			<u>101,400</u>	<u>92,000</u>

9,400,000 Ordinary shares of £0.001 each were allotted at par during the year.

13. RESERVES

	Retained earnings £
At 1st March 2021	(372,921)
Deficit for the year	<u>(122,426)</u>
At 28th February 2022	<u><u>(495,347)</u></u>

14. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Current:		
Amounts owed to group undertakings	368,388	360,020
Accruals and deferred income	<u>123,958</u>	<u>9,900</u>
	<u><u>492,346</u></u>	<u><u>369,920</u></u>

Umuthi Healthcare Solutions Plc

**Detailed Statement of Profit or Loss
FOR THE YEAR ENDED 28TH FEBRUARY 2022**

	2022 £	2021 £
Administrative expenses		
Computer costs	10,426	3,254
Accountancy	9,900	9,900
Legal fees	102,100	10,401
	<hr/>	<hr/>
	122,426	23,555
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This page does not form part of the statutory financial statements