

23 March 2021

The Directors
Umuthi Healthcare Solutions Plc
27-28 Eastcastle Street,
London,
United Kingdom,
W1W 8DH

and

The Directors
Jeffreys Henry LLP
5-7 Cranwood Street
London
EC1V 9EE

Dear Sirs

Umuthi Healthcare Solutions Plc (the “Company”)

Introduction

We report on the financial information of the Company for the periods ended 28 February 2019 and 29 February 2020. This financial information has been prepared on the basis of the accounting policies set out in note 1 of the financial information. This report is required by paragraph 18.3.1 of Annex I of the Prospectus Regulation Rules and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company (the “**Directors**”) are responsible for preparing the financial information on the basis of accounting set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 18.3.1 of Annex I of the Prospectus Regulation Rules, consenting to its inclusion in the prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with relevant ethical requirements, as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.



Jeffreys Henry LLP
CHARTERED ACCOUNTANTS



Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 28 February 2019 and 29 February 2020 and of their results, cash flows and changes in equity for the periods ended 28 February 2019 and 29 February 2020 in accordance with International Financial reporting Standard as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies set out in note 1 of the financial information.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex 3 of the Prospectus Regulation Rules.

The financial information included herein comprises:

- statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flow;
- a statement of accounting policies; and
- notes to the statement of comprehensive income and statement of financial position.

Yours faithfully

JEFFREYS HENRY LLP

HISTORICAL FINANCIAL INFORMATION OF UMUTHI HEALTHCARE SOLUTIONS PLC



STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Company is stated below:

	Period to 29 February 2020	Period to 28 February 2019
	£	£
Revenue	-	-
Administrative expenses	135,216	214,150
Operating result	-	-
Finance income/(expense)	-	-
Result Before Taxation	(135,216)	(214,150)
Income tax	-	-
Total comprehensive Profit/(loss) for the period	(135,216)	(214,150)
Other comprehensive income:		
Items that may be reclassified profit or loss:		
Exchange differences on translating foreign operations	-	-
Other comprehensive income for the year net of Taxation	(135,216)	(214,150)
Weighted average number of shares in issue ('million)	92	92
Diluted weighted average number of shares in issue ('million)	-	-
EARNINGS PER SHARE		
Basic and diluted earnings per share (pence)	-	-
From continuing operations		



STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Company is stated below:

	29 February 2020	28 February 2019
	£	£
ASSETS		
Non-Current Assets		
Investment in Subsidiary	86,999	86,999
Total Non-Current Assets	86,999	86,999
Current Assets		
Other receivables	5,001	5,001
Total Assets	92,000	92,000
EQUITY AND LIABILITIES		
Current liabilities		
Intercompany Loan	349,366	214,150
Total liabilities	349,366	214,150
Equity Attributable to owners		
Share capital	90,000	87,000
Unpaid Share Capital	2,000	5,000
Retained earnings	(349,366)	(214,150)
Total equity attributable to owners	(257,366)	(122,150)
Total equity and liabilities	92,000	92,000



STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company is as follows:

	29 February 2020	28 February 2019
	£	£
Cash flows from operating activities		
Operating loss	(135,216)	(214,150)
Changes in working capital:		
Trade and other receivables	-	-
Trade and other payables	135,216	214,150
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

Notes to the cash flow statement

1. Non-cash transactions

During 2020 and 2019 the company did not hold any bank accounts and all payments are made from Lems Pharmaceutical Ltd based in South Africa, the wholly owned subsidiary of the Company, who is also responsible for the currency fluctuations. In 2019 the company acquired 100% in Lems Pharmaceutical Ltd by way of share for share exchange.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At incorporation	1	-	-	1
Total comprehensive income for the period ended 28 February 2019	-	-	(214,150)	(214,150)
Issue of shares	94,999			94,999
Cancellation of shares	(3,000)			(3,000)
As at 28 February 2019	92,000	-	(214,150)	(122,150)
Total comprehensive income for the period ended 29 February 2020	-	-	(135,216)	(135,216)
As at 29 February 2020	92,000	-	(349,366)	(257,366)



NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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, W1W 8DH.

This Financial Information of the Company has been prepared for the sole purpose of publication within the prospectus It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historical Financial Information is presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

1. Significant accounting policies

1.1 Basis of preparation

This financial information has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information and the Companies Act 71 of 2008 of South Africa, as amended. The policies set out below have been consistently applied to all the periods presented unless otherwise noted. The Financial Information has been prepared under the historical cost convention, except for those assets which are measured at fair value. The Financial Information does not constitute statutory accounts.

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 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.

1.2 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

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.

1.3 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.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Ordinary shares are classified as equity.

1.5 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.6 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

This consolidated financial information is presented in Pounds Sterling which is the Company presentation currency. Umuthi functional currency is Pounds Sterling.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pounds, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 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.

2.2 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: Classification 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



2.3 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 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.

3. 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 2020, 2019 respectively were as follows:

	2020	2019
Intercompany Loan	349,366	214,150
Other financial liabilities	-	-
Less: Cash and cash equivalents	-	-
Net debt	-	-
Total equity	(257,366)	(122,150)
Total capital	(257,366)	(122,150)
Gearing ratio	136%	175%

Liquidity risk

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

At 29 February 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan Account	349,366	-	-	-
Trade and other payables	-	-	-	-
At 28 February 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan Account	214,150	-	-	-
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.



4. Receivables

	As at 29 Feb 2020	As at 28 Feb 2019
	£	£
Amounts falling due within 1 year:		
Other receivables	5,001	5,001
	5,001	5,001

5. Intercompany loan

	As at 29 Feb 2020	As at 28 Feb 2019
	£	£
Amounts falling due within 1 year:		
Lems Pharmaceutical Ltd	349,366	214,150
	349,366	214,150

6. Share capital

	Number of shares	Shares	Share premium	Total
		£	£	£
At incorporation	1	1	-	1
Issue of shares	5,000,000	5,000		5,000
Share for Share exchange	89,999,999	89,999		89,999
Share Cancellation	(3,000,000)	(3,000)		(3,000)
At 29 February 2020	92,000,000	92,000	-	92,000

On incorporation, the Company issued 1 ordinary share of £1 for consideration of £1 cash.
No Earnings Per Share has been calculated as the Company did not trade in the period to 29 February 2020.



7. 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.

Business combinations

Lems Pharmaceutical Ltd

The Company acquired 100% of the voting equity interest in Lems Pharmaceutical Limited 'Lems' on 29 January 2019 with such results being fully disclosed in the HFI for Lems for 29 February 2020 as per page 15 of the Prospectus. There were no material movements between acquisition date and year end.

8. 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.

9. Subsequent events

There were no material subsequent events, save for the onset of the COVID pandemic. Due to Umuthi not being operational, it was not affected by the pandemic.