FEEDBACKplc

Connecting the clinical world

Annual Report and Accounts

For the year
ended 31 May 2022

Contents

Highlights

Operational highlights

- Two Bleepa contract wins with NHS trusts worth an aggregate value of £0.20m
- First non-NHS contract win, with CVS Group
- Expansion of product suite and routes to market with launches of CareLocker and BleepaBox
- First international Bleepa deployment at Orissa, India, for remote TB screening, in partnership with AWS and Qure.ai
- Selected to pilot the UK's first end-to-end symptom-based CDC pathway, connecting primary and secondary care – Bleepa's first example of cross-provider connectivity
- First cloud deployments of the technology, both for CVS and TB screening in India

Financial highlights

- 105% increase in revenue to £0.59m (2021: £0.29m)
- Highest ever reported revenue since becoming a medical imaging company in 2014
- 280% increase in sales[(1)] to £0.67m (2021: £0.18m), with Bleepa contributing £0.26m (2021: £0.08m)
- Operating loss increased to £2.51m (2021: £2.06m), reflecting investment in the development and roll out of Bleepa
- Oversubscribed placing and open offer raising £11.20m – to support accelerated revenue growth and product development
- Cash at 31 May 2022 was £10.31m (31 May 2021: £2.22m)

Post period highlights

- Awarded £0.45m contract for a 12-month pilot extension of the Sussex ICS CDC development programme
- Named as a supplier on G-Cloud 13, the UK Government's digital marketplace
- Creation of the CareLocker app, giving patients direct access to their clinical data
- First CareLocker deployment with an Indian imaging centre, Sampurna Diagnostics, Indore, making digital images available to their patients via the CareLocker app

Note (1): "Sales" is non-IFRS metric representing the total customer contract value invoiced in a period. The figure does not take account of accrued or deferred income adjustments that are required to comply with accounting standards for revenue recognition across the life of a customer contract (typically 12 months).

About us

Our Vision

To enable clinicians to make better decisions, faster, from anywhere

Our focus

Our mission is to enable clinicians to make better decisions faster, from any location.

We understand that to work effectively clinicians need access to both patient data and colleagues, which is difficult to achieve when their data is siloed in provider systems. In addition, clinicians are reliant on using outdated technologies to communicate such as email, pagers and fax.

We are helping clinicians overcome these challenges in three ways; 1) we create a common view of a patient, across provider settings, by extracting clinical data relating to the patient from siloed hospital systems; 2) we enable clinical teams to be built around this common patient view to facilitate case discussion, regardless of clinician location; and 3) we work with some of the latest technologies, including artificial intelligence (AI), which support clinical decision-making from the data that is presented to clinicians.

What sets us apart

We provide a digital infrastructure that ensures patient data travels with the patient and is available to all care settings and that enables clinicians to contribute to their care from anywhere. We remove the geographic constraints of care giving patients choice, clinicians flexibility and care providers workforce resilience. Our capabilities enable us to facilitate cross-provider care pathways, connecting GPs with diagnostic and secondary care facilities around an individual patient journey and to connect even the most remote care setting with real-time, specialist expertise in urban settings.

Our patient-centric approach combines with our credentials as a medical device manufacturer to give us a truly unique market position. We are the only healthcare supplier to deliver a patient-centric digital infrastructure within a regulatory compliant technology product for clinical communication. Digital medical images must be displayed within a medical-device-certified image viewer if they are to be used for a diagnostic purpose and, without images, clinical case discussion is ill informed and incomplete. This makes us the only tool suitable for facilitating a full diagnostic care pathway across provider settings as these pathways must include medical images.

The flexibility of our technology enables its use across a broad range of clinical settings including the NHS, private hospitals, remote clinical screening services, veterinary services and the military.

Our products

Bleepa integrates with multiple hospital systems and centralises relevant clinical data into a single view of the patient, which can then be securely reviewed and discussed by disparate members of clinical teams. This data includes lab results, structured reports, ECGs and, most importantly, medical images that are uniquely displayed through Bleepa's regulated DICOM (Digital Imaging and Communications in Medicine) viewer. The platform allows clinicians to review patient imaging and other clinical results and discuss cases collaboratively with colleagues on the go.

Having centralised data around a patient in Bleepa, CareLocker provides a patient-centric way of storing that data in the cloud, ensuring its availability to any care setting that the patient attends.

Taking the theme of remote data and clinical connection further, the company developed the BleepaBox, a specialist tool to enable image transfer from rural settings to the Bleepa platform via a mobile data network. Once in the cloud the digital images are immediately viewable within Bleepa and the clinician can make onward referrals or start a conversation with a specialist for input on the case whilst still on location.

Our markets

Our technologies are applicable to almost any care setting internationally. Our infrastructure products are currently in use in UK NHS trusts, in regional NHS cross-provider care pathways and community diagnostic centres, UK equine veterinary practices and remote care facilities in India. The Company is actively pursuing further opportunities for our products in the UK, in India and in other international markets.

Our partners

Chairman's Statement

Moving beyond clinical communication to providing a core digital infrastructure

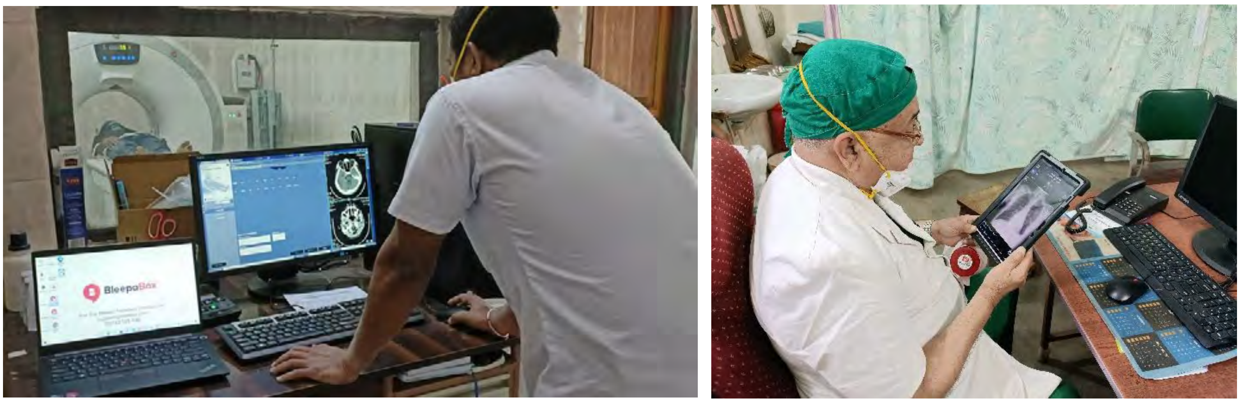
In 2022, as we emerge from the throws of the global pandemic, we have seen indicators that the strategic shift initiated in 2019 is beginning to bear fruit. The Company reported its highest ever revenue since becoming a medical imaging company in 2014, with strong revenue growth of 105% on the previous period. The pilot-to-contract model has resulted in successful contract awards in both the public and private sector, and Bleepa's first paying customer has renewed its subscription at a premium to the initial contract value.

Following further development of our product capabilities, the Company has moved beyond clinical communication to providing a core digital infrastructure, capable of connecting multiple care settings and delivering cross-provider care pathways on a patient-by-patient basis. This presents healthcare providers with unprecedented flexibility around designing care pathways and leveraging clinical capabilities to address their major priority areas.

As providers emerge from COVID-19, they are looking for suppliers that can support them to address major challenges around clinical pathway efficiency, to help reduce the backlog of patients, and also critical workforce challenges resulting from staff shortages and burnout. Our technologies help clinical teams to work more efficiently from remote locations, giving healthcare providers greater ability to leverage specialist skills across their clinical workflows. By making access to specialist advice more flexible, our technologies drive clinical decision making and care delivery forward, meaning that clinical teams can achieve more with fewer staff whilst simultaneously accelerating the patient journey.

Domestically, the customer landscape is changing with the creation of integrated care systems ("ICS") that are tasked with delivering regional and population-based care; with direct budgetary and procurement responsibility. The shift to regional decision-making bodies should simplify the route to market and favours our cross-provider focus. ICSs will oversee the roll out of national programmes of work, such as the community diagnostic centre ("CDC") programme, which aims to increase diagnostic capacity and reduce the elective care backlog. With an expected 150 CDCs to be created, and an estimated total addressable market of over £90m, the CDC programme represents a huge opportunity for the Company, for which we are uniquely positioned to exploit, given our regulatory compliant user interface (Bleepa) and patient-centric data architecture (CareLocker) which, in combination, can connect multiple providers around an individual patient journey. Our pilot deployment at Sussex ICS has successfully delivered the first end-to-end symptom-based CDC pathway in the NHS and would not have been achievable without our digital infrastructure offering. This should drive adoption of our products at sites that hope to replicate the success of the Sussex programme.

Internationally, the Company is exploring a number of at-scale opportunities in India, with potentially significant sizeable total addressable markets. The Company has initiated its market entry with a focus on providing remote TB screening to rural communities as part of a consortium offering with AWS and Qure.ai; with an estimated total addressable market of ~£2billion over a 3-to-5-year screening period. Further partners are being sought, including telecommunication providers and clinical service providers, but an initial pilot has been achieved in Odisha where over 520 cases have been processed, and Qure.ai identified TB in approximately 10% of cases. The TB screening project has raised the Company profile in India and has resulted in opportunities with independent hospital groups for Bleepa, and a patient facing B2B2C opportunity for CareLocker, which we are exploring as a way of providing patients with digital copies of their images, rather than the traditional model of providing film prints or CDs. The Indian diagnostics market was worth $10 billion in 2021 (of which radiology accounts for 43%) and is projected to grow at a compound annual growth rate of 14% to reach $20 billion by 2026, driven by an increasing population, urbanisation, and higher market penetration.



Evangelical Hospital Khariar, Odisha, India

In November 2021 the Company successfully closed a financing round of £11.2m to enable the pursuit of opportunities in the domestic market and India in parallel. This essential funding has ensured that the Company is now well positioned to explore these large growth opportunities, as the Company closed the period with a strong cash position of £10.3m. The Company is investing strategically in personnel, business development and marketing, and software development to ensure that we maintain our competitive advantage and drive sales across our market segments.

The Company is making good headway and the Board is very optimistic about its future prospects, in light of the opportunities that have been unlocked by the 2019 strategic shift and sustained investment. The Board believes that as management continues to deliver beyond market expectations and progresses on the multiple fronts outlined in the report below, there is significant scope to provide increased returns, which should result in a growing market valuation. The Company looks forward to building on the momentum of 2022 in the year ahead and is aiming to report strong revenue growth as we strive towards profitability.

Rory Shaw
Non-executive Chairman
16 September 2022

CEO's Statement

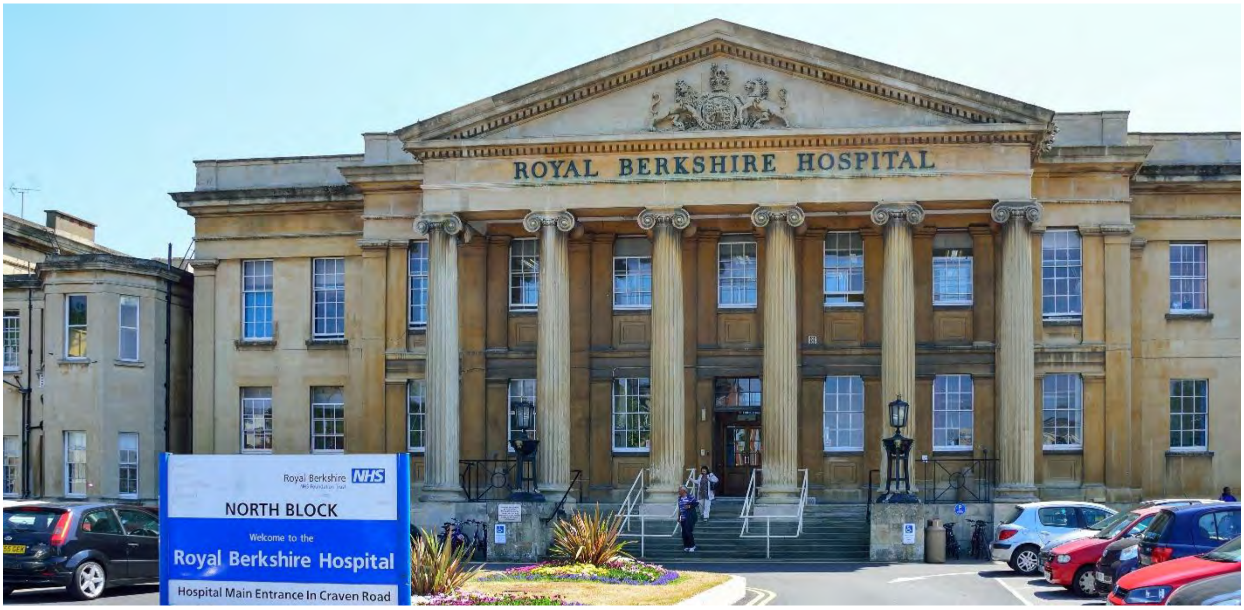
Enabling clinicians to make better decisions faster

As a Company, our mission is to enable clinicians to make better decisions faster and we believe that requires two things: connection to colleagues and easy access to meaningful patient data. Our approach has always been to place the patient at the centre of our design, wrapping multiple forms of clinical data around an individual patient to create a common, patient-specific view, and we enable clinical teams to be built around this patient view to enable collaborative working. This patient-centric approach is the opposite to the traditional models of clinical systems which typically group multiple patients' data by data type, and silo that data at a system or provider level. Processing data at the patient level liberates the patient from provider settings, allowing patients to attend anywhere for treatment and investigation, and allows any relevant clinician to participate in their care, regardless of traditional logistical and location care boundaries. In combination, these tools represent a digital infrastructure that holds the potential to fundamentally transform clinical workflow and patient care beyond recognition. It is worth reflecting briefly how we got here before we outline the opportunity ahead and where we are going.

In 2019 we initiated a strategic change in direction away from low-margin legacy products, with limited potential for growth, towards the emerging space of clinical workforce tools and data management. This strategy leveraged our heritage and expertise of clinical data management and medical device manufacture, derived from delivering PACS, to allow us to dynamically move into the medical technology space where we held a regulatory advantage over other companies. The creation of Bleepa and CareLocker has been transformative for the Company and we are now seeing the rewards of that strategic shift, with reported revenue of £590k, above the previous peak in 2019 of £563k and up 105% on the prior year, making this the best trading year in the Company's recent history, despite the adverse trading conditions generated by the global pandemic and war in Ukraine.

We started the year with the aim of building on the momentum of the previous period, which included our first contract win for Bleepa, with the Royal Berkshire Hospital NHS Foundation Trust ("RBH"). Our focus for the period was to win new contracts for Bleepa, ensure the renewal of RBH's Bleepa contract and to try to achieve a higher contract renewal value through the upselling of further Bleepa features and increased user numbers.

We additionally set ourselves the target of securing a sale in an adjacent market segment and to continue the development of Bleepa to unlock further customer opportunities.



Royal Berkshire Hospital, Berkshire, UK

During the period we delivered against all of these targets, and more – RBH became the first Bleepa customer to renew a Bleepa contract and our longstanding pilot at the Northern Care Alliance ("NCA") (previously Pennine Acute Hospitals Trust) was successfully converted to a paid contract. The Company then successfully piloted and converted a contract with the equine division of CVS.

These customer successes also resulted in product refinement and development which, in turn, led to further commercial opportunities towards the end of the period. Most noticeably, the ability to enable cross-provider care pathways, unlocking the opportunity to deliver the symptom-based pathway approach to CDC services in Sussex and TB screening in India. These opportunities required us to fundamentally consider the underlying architecture to Bleepa and assess how we process expanded types of medical data, beyond medical imaging, to render it to clinicians in a meaningful way; whilst ensuring its availability across multiple provider sites. To this end we developed CareLocker.

Clinical data currently resides in multiple system siloes, even within individual clinical settings. Extracting this, centralising it around a patient and presenting a common, single-patient view is core to the Bleepa/CareLocker value proposition for enabling collaborative clinical working – giving clinicians the relevant clinical information all in one place so that they can easily discuss it. However, the complexity of cross-provider care delivery is that data resides in different systems, at different sites, and needs to be accessible to all sites simultaneously. To solve this problem, we have extended Bleepa's architecture, leveraging a patient-centric approach to create a wrapper of clinical data around individual patients, sourced from multiple sites and systems, stored centrally so that it is available to clinicians at any of the sites.

This central, patient-specific store is CareLocker. CareLocker can act as a time limited cache of data to deliver a specific clinical episode or it can be maintained as a long-term store of relevant clinical data for a specific patient, allowing the patient to attend any care setting and know that their data is available to them. In combination, Bleepa and CareLocker enable teams to work collaboratively around an individual patient as they move between care settings and represent a digital architecture that plugs CDCs into wider regional care pathways. This allows these new diagnostic centres to meaningfully generate results as part of wider clinical programmes of work, reducing the backlog of care, rather than acting as isolated centres for additional diagnostic capacity, which will not meaningfully link into wider clinical work.

The pilot in Sussex is a key example of how our infrastructure can unlock the potential of CDCs and has enabled the first symptom-based referral pathway to incorporate a CDC in the UK and, post period, a £0.45m contract for the Company with Sussex ICS / QVH. QVH in Sussex is one of the UK's exemplar CDC sites and the first to deliver end-to-end symptom-based pathways through the CDC programme. Bleepa and CareLocker together create a digital infrastructure that links clinical data to patients and ensures its availability to clinicians in multiple provider settings, enabling patients to move seamlessly between primary and secondary care for definitive investigation and management based on their symptoms. The pilot shows other ICSs how they can use CDCs in a more connected and integrated way to address regional care delivery needs and that our technology is an essential component to enabling this model of care.

Strategically, regional cross-provider opportunities are of key importance to our future trajectory. The average contract value is considerably higher than a sale to an individual NHS trust, which requires a similar degree of customer development resource. It is also an area of low competition as no other provider can currently offer our combination of patient-centric data management and a regulated clinician interface, which gives us a large early mover advantage. Bleepa’s UKCA-marked image viewer remains a key USP given the requirement for image display within a regulatory compliant image viewer. We hope to achieve significant commercial traction following the reporting of the initial Sussex pilot results and evolution of the CDC programme as central funding comes online.

CareLocker also enables the delivery of remote TB screening in India where individual X-ray studies are transmitted by Bleepa to the CareLocker cloud store, where they are processed by our partner Qure.ai, whose report is then made available back to the scanning clinician via Bleepa. This combination of technologies holds the potential to transform TB screening and to bring it to a wider population, including those in remote or rural communities. This potential to deliver at scale TB screening was recognised through the funding awarded by the AWS DDI programme in December 2021. Our initial pilot in Odisha has currently processed over 520 patients, identifying TB in approximately 10% of cases. The TB screening programme has enabled the Company to build a reputation in India that is unlocking further commercial opportunities for CareLocker as a vehicle for delivering digital results directly to patients, and for Bleepa as a clinical tool for Indian healthcare providers.

> "The BleepaBox which was installed at our hospital a few months ago, has helped us provide quicker identification of TB patients. The box is connected to the X-ray machine in our radiology department and a patient's chest X-ray is sent directly from here to my Bleepa clinician mobile app. I can check it immediately, provide a prompt opinion, and start the patient's treatment without wasting any time.
>
> “Our hospital team can also use the AI platform Qure.ai which can read X-ray scans and send the results to us. We can reconfirm the results by looking at the X-ray through the mobile app and initiate treatment. The technology has also helped other clinicians in the general surgery and orthopaedic departments, in cases where they need to check an X-ray before deciding on the line of treatment for their patients."
>
> **Dr Nibedita Paramanik, Medical Director, Evangelical Hospital, Odisha, India**

During the period, the Company further strengthened its regulatory credentials to both boost customer confidence and to further differentiate ourselves from potential competitors. The team successfully renewed the Company ISO 13485 quality management system accreditation and achieved ISO 27001 certification for information security and Cyber Essentials Plus for cyber security. Notably, Bleepa successfully undertook new accreditation with the post-Brexit CE mark equivalent, UKCA.

The range of commercialisation opportunities available to the Company, formed the basis of the Company’s oversubscribed £11.2m fund raise in November 2021. In particular, the fundraise enabled the Company to pursue its strategy of moving into cross-provider opportunities for Bleepa and CareLocker within the UK and internationally, notably within India. It has resulted in a strong cash position of £10.3m at the end of the period which positions the Company well to pursue multiple upcoming opportunities for commercial growth, domestically and internationally.

Business strategy

The Company’s strategy is to increasingly pursue opportunities for cross-provider care delivery where we expect to recognise higher contract values and operational margins, within a less competitive environment. This will predominantly be in the CDC space in the UK and in cross-provider settings in India, such as TB screening. The

Company will continue to target its core products at traditional NHS opportunities with individual NHS trusts around clinical communication and replacement of legacy communication methods such as pagers and fax machines. In parallel, the Company seeks to develop opportunities for its core technologies in new and parallel market segments including developing B2C opportunities for CareLocker around providing diagnostic results directly to patients in India; where this is currently achieved by generating hard copies of results via radiology film or CD.

Whilst the Company has historically adopted a strategy of direct sales, we are increasingly looking at the opportunity presented by distribution partnerships, either on a license or co-sell basis. Increasingly, the strategy to pursue cross-provider regional contracts will necessitate collaboration with a range of partners to deliver the end customer value proposition. We have seen early evidence of this with the TB screening programme where we have partnered with AWS and Qure.ai, along with telecommunication and clinical partners in order to deliver a meaningful and scalable service.

Encouragingly, we are experiencing an increasing number of inbound enquiries for our products following targeted marketing campaigns and we have started to see referrals from Bleepa users who have championed the product, independently of the Company, to new trusts as they rotate to new sites as part of their training. Given the procurement lead time of NHS organisations, it will take time to convert these leads. However, this is clear evidence of both customer endorsement and product market fit.

It is particularly important to participate in appropriate procurement frameworks when targeting the NHS. This year the Company has successfully applied to the DOS6 framework run by the Crown Commercial Services and post-period, G-Cloud 13, the UK Government's digital marketplace, which provides public sector organisations with a simplified purchasing process for cloud-based services. The Company will continue to apply for relevant frameworks throughout the upcoming year, mandating that we simultaneously maintain our appropriate regulatory and security credentials.

To date, our commercial success has been derived from our ability to leverage and repurpose our legacy technologies. This has resulted in the creation of Bleepa, CareLocker, the BleepaBox (our data conduit and integration tool), and also the opportunity to license components of our Cadran technology to third parties; such as Image Engineering in the USA, a partnership that generated £0.14m (2021: £0.01m) of license fee revenue in the period. Leveraging legacy technology and developing our existing products to maximise product market fit and maintain our competitive advantage will remain a core strategy for the Company and will result in continued software development spend on a measured basis. The Company will also continue its strategy of robust regulatory certification and IP protection alongside the programme of software production as a medical device.

Operational Review

Bleepa®

The essential tool for remote, secure communications between clinicians and teams

Bleepa, the flagship product of the Company, is a clinical communication platform that provides a centralised view of an individual patient's clinical data and enables multiple clinicians to collaborate around that data to generate clinical management plans. Bleepa leverages the medical image display capabilities of the company's legacy and foundational product Cadran PACS, alongside the regulatory and information governance know how derived from this product line. Bleepa is the only communication platform to be regulated as a medical device, holding a UKCA mark for medical image display; a key requirement for clinical review of digital patient images. Bleepa is revolutionising the way in which clinicians work, delivering key efficiency gains for our customers and improved patient care. Using Bleepa, clinicians are able to adopt asynchronous communication and work effectively from any location, allowing them to contribute to patient care from multiple clinical settings and to move case management forward in and around other clinical work. This not only frees up clinical capacity, but it means that care decisions are reached more quickly and that patients move faster through care pathways, ultimately holding the potential to reduce patient waiting times and overcome some of the workforce challenges facing the NHS and other global providers.

This year has seen the continuation of the strategic business transition away from legacy products with Bleepa accounting for over one third of total sales made in the period, with the expectation that it will become the dominant revenue contributor in the next year. This is a reflection of the increase in relative contract value compared to legacy product lines, and the increasing number of sales achieved by the Bleepa product line. Over the last financial year, the Company saw the first pilot-to-contract wins in both the public and private markets with NCA and CVS customers, along with a key contract renewal at RBH. These opportunities have helped to identify further opportunities for Bleepa with emerging customer groups, such as ICSs, and prompted further development of the product in order to pursue these.

In addition to radiology images, the features of Bleepa have been expanded in the last year to include the display of multiple result types including: bloods, ECGs, spirometry, structured clinical reports and non-radiology clinical images such as patient photos and dermatoscope images. These changes were essential to enable Bleepa to deliver the breadth of clinical results required by clinicians engaged in the CDC care programme and have directly led to our involvement in the Sussex CDC pilot of symptom-based care pathways. Our deployment with Sussex has seen Bleepa become a core digital infrastructure tool that facilitates an end-to-end clinical pathway, starting in primary care, facilitating clinical result collection in the CDC, and culminating in a multidisciplinary review by specialists in the secondary care setting. This symptom-based approach is key to leveraging the CDC programme to reduce the elective care backlog challenges facing the NHS and has national implications for delivery. Our involvement in Sussex establishes Bleepa as a blueprint tool for delivering this programme at other CDCs across the NHS and represents a substantial growth opportunity for the Company.

The enhanced product features of Bleepa also included improvements to the in-app deployment capability of AI tools which has enabled the delivery of remote TB screening in India. The AI-powered screening pilot programme is being delivered in partnership with Qure.ai and AWS and represents an opportunity to deliver a national programme of work with the right government support. Our primary focus has been to establish a pilot of the solution in order to generate real-world evidence of effectiveness. We have achieved this in Odisha where we are now processing approximately 30 images a week. The Company is now focused on building on this pilot to partner with other key organisations in the value chain, including telecommunication providers and clinical service partners. Participating in the TB screening programme has raised the Company’s profile within India and enabled conversations with a number of Indian providers, using Bleepa as a core product within their clinical organisations. Bleepa’s potential value as a tool for referring patients between sites and collaborating between providers is growing in India, just as we have seen in the UK. India represents a huge commercial opportunity on several fronts for the Company.

The successful funding achieved in November 2021 was essential to the pursuit of the NHS and Indian opportunities in parallel, given the resource required to pursue each opportunity individually. The Company is now well positioned to advance the strategic approach in both settings and is currently making strong headway on all fronts.

CareLocker

A patient-centric store of data available to any care setting

CareLocker is both an architecture and a product. It is a way of centralising data around an individual patient and making the patient the central tenant of data, rather than having it reside in a multitude of individual system siloes. There are multiple advantages to the CareLocker methodology of data storage; including enhanced security, scalability and cost reduction, which links to lower cloud hosting energy consumption and, importantly, a reduced carbon footprint associated with data storage and processing.

The key advantage is that by making the patient the holder of the data you can ensure that the data is available to any setting that the patient attends and also removes the need to push data point-to-point between provider sites, a process that is neither secure nor resource efficient. Instead, data is centralised once and then made available to stakeholders through a process called ‘pass by reference’, whereby individual users are given controlled access to the central store of data via a permissions model.

CareLocker holds huge benefits to healthcare systems who suffer, universally, from poor data availability and integration between systems and sites, especially as care delivery moves towards a more regional model that requires individual organisations to work collaboratively. The CDC programme is a key example of this in the UK where at least three providers – GPs, CDCs and hospitals – have to work together to deliver a clinical pathway. TB screening in India is another, where clinical data relating to an individual patient must be securely transmitted and shared with specialist AI providers and clinical partners. Patient-specific cloud storage is the surest way of ensuring reliable and secure data flows across geography that link back to the patient in question.

When CareLocker is positioned as a vehicle for providing patients access to their own clinical data it becomes a product in its own right. In India, patients are typically given film prints or CDs of their images when they attend diagnostic imaging centres. Neither are a reliable way of transferring data, as they are easily lost and are not secure. Additionally, CD drives are increasingly becoming a thing of the past, reducing the number of clinicians that are able to receive data this way. Film printing, meanwhile, uses a huge number of chemicals that are environmentally damaging and it requires the patient to make multiple visits; once for the imaging and once a few hours later to receive the processed film, which is not a good consumer experience. CareLocker would provide a digital vehicle for storing a patient’s images and a vehicle for securely giving access to their treating clinicians. If paid for by the patient, it would remove the cost of suppling images entirely for the imaging centre as there is no film production or CD burning required, increasing their margins. From a patient’s perspective, they would have a secure digital version of their data and they would only need to attend the imaging centre for the image acquisition (one visit rather than two), making it far harder to lose the data that they had paid for. This creates an at-scale B2B2C opportunity for the Company with the expectation of annual recurring revenues through a subscription model.

Sampurna's Sodani Diagnostic Clinic, Indore, India

Post period, the company has deployed a CareLocker pilot with an Indore-based imaging centre network called Sampurna Diagnostics, giving them the ability to give their patients digital copies of their imaging studies, rather than film print outs or CDs. This will give the Company an opportunity to assess the consumer market for CareLocker as a standalone product offering which we intend to sell via a B2B2C route where imaging centres can on-sell it to their client base.

The Company will develop this opportunity in parallel to the CDC opportunity in the UK using the funding secured in November 2021.

BleepaBox

BleepaBox is part of the Bleepa suite of products. It was developed as a vehicle for sending images directly from scanners to the cloud over a 3G mobile network for CVS. However, BleepaBox has also proved valuable in the Indian TB screening operations, which have the same requirements for remote image transfer.

More broadly, BleepaBox encompasses Bleepa's integration toolkit and has become the name of the product that we install in hospitals as a way of integrating the Bleepa system with provider systems, in order to retrieve patient data.

Imaging Engineering LLC

Imaging Engineering LLC (Image Engineering) has a license to develop products based on a Cadran technology for X-ray image capture that enables Imaging Engineering to repair and update hospital fluoroscopy suites at a considerably lower cost than a hospital (customer) having to buy entirely new equipment.

There is a large domestic market for the solution within the US, with approximately 2,000 sites reaching the end of their current kit lifespan. Feedback receives a license fee for each installation of its software under the agreement, resulting in £0.14m (2021: £0.01m) of revenue following improved trading post Covid lockdowns. This represents a high margin opportunity as beyond the initial software configuration, and some ongoing maintenance, Feedback has no active involvement in the provision or support of the software. The Company expects to receive ongoing license fees as Imaging Engineering expand their offering across the USA.

TexRAD® & Cadran PACS

As per the previously stated strategy, the Company is reducing sales of its low-margin legacy products TexRAD and Cadran PACS to focus on its new product opportunities. The Company expects these products to form a reducing contribution to overall revenues over the coming years.

Board Changes

During the period there were some changes to the board. Simon Sturge stepped down in June 2021 after three years of service, to focus on his other commitments. Anesh Patel was appointed to the Board as Chief Financial Officer in November 2021 and has already delivered several positive initiatives, including improved financial processes and systems and optimisation of costs. This appointment was part of a succession planning programme following Lindsay Melvin's retirement from the Board, also in November 2021.

Post period, Tim Irish stepped down from the board on 01 June 2022, after five years of service for the Company. Annemijn Eschauzier joined the board as a NED on 01 June 2022 and brings with her a wealth of commercial and leadership experience across marketing, sales and business development in the healthcare sector.

Financial Review

Key performance indicators	2022 £m	2021 £m
Revenue	0.59	0.29
Gross margin	83%	91%
Sales (non IFRS)	0.67	0.18
Operating expenses	(3.00)	(2.32)
Operating loss	(2.51)	(2.06)
EBITDA loss (non IFRS)	(1.96)	(2.01)
Adjusted EBITDA loss (non IFRS)	(1.89)	(1.85)
Cash outflows from operating activities	(1.25)	(2.03)
Cash outflows from investing activities	(1.15)	(1.44)
Cash & cash equivalents end of period	10.31	2.22
Intangible assets	3.29	2.68
Contract liabilities (deferred income)	0.20	0.12
Net assets	13.71	5.27

Revenue for the year ended 31 May 2022 increased 105% to £0.59m (2021: £0.29m). The growth was primarily driven by a full year of Bleepa revenues (as Bleepa's initial commercialisation occurred in the final quarter of the prior financial year) and increased license fees from Imaging Engineering for Cadran X-ray image capture technology, following its improved trading post Covid lockdowns. Legacy product revenues from Cadran PACS and Texrad is expected to decline going forward, as planned, in large part due to the Group ceasing Cadran PACS services for Royal Papworth Hospital NHS Foundation Trust post period in July 2022. However, sales of Bleepa, with a higher average contract value versus legacy products, is expected to quickly eclipse the declining legacy products revenue going forward.

Gross margin reduced to 83%, in large part due to a veterinary customer contract which was signed in the period, resulting in one-off BleepaBox hardware costs (incurred in the first year only) and higher cloud hosting costs compared to the prior year.

Sales, a non IFRS measure representing the total customer contract value invoiced in the period, increased 280% to £0.67m (2021: £0.18m), of which Bleepa contributed £0.26m (2021: £0.08m) and Image Engineering license fees contributed £0.14m (2021: £0.01m). Sales are recognised as revenue monthly across the life of a customer contract (typically 12 months), with any amount not recognised as revenue in the current financial year remaining on the balance sheet as contract liabilities (deferred income), and recognised as revenue in the forthcoming financial year. Contract liabilities (or deferred income) as at period end was £0.20m (2021: £0.12m).

Operating expenses increased 29% to £3.00m (2021: £2.32m), primarily due to headcount expansion, commencement of amortisation of Bleepa software development costs, and cost inflation. Operating loss increased to £2.51m (2021: £2.06m). EBITDA loss, excluding depreciation and amortisation charges of £0.55m (2021: £0.05m), improved 3% to £1.96m (2021: £2.01m). Adjusted EBITDA loss, excluding share-based payment charges of £0.07m (2021: £0.16m), remained relatively flat at £1.89m (2021: £1.85m).

Cash outflows from operating activities decreased 38% to £1.25m (2021: £2.03m) primarily due to higher customer receipts offsetting the increase in operating expenses, and the benefit of two R&D tax credit refunds being received in the period, totaling £0.77m (2021: nil). Cash outflows from investing activities, primarily being software development expenditures with Future Processing, decreased 20% to £1.15m (2021: £1.44m) as the Group reduced expenditures to extend the cash runway prior to the fundraise completed in November 2021. The Group's cash position as at 31 May 2022 was £10.31m (31 May 2021: £2.22m), an increase of £8.08m over the prior year following net proceeds of £10.49m from the November 2021 fundraise.

Intangible assets increased by £0.61m to £3.29m (2021: £2.68m), primarily representing the capitalised software development expenditures of £1.15m, offset by amortisation charges of £0.54m (2021: £0.03m). Net assets increased to £13.71m (2021: £5.27m) as at 31 May 2022.

Outlook

The Company is now delivering substantial revenue growth, achieving its highest ever revenues during the period under review. This follows the decline in revenue associated with commencing the development of Bleepa, whilst winding down our legacy product lines during the previous period.

The Company is now benefiting from increasing Bleepa sales with a higher average contract value than legacy products, a trend that is set to increase as we move towards regional programmes of delivery around the CDC space. Post period, the Company was awarded a £0.45m contract with Sussex ICS / QVH to facilitate an extension of the current CDC pilot in Sussex to further GP practices and to enable the adoption of further clinical pathways. The contract covers the period from 31 March 2022 when the original pilot MOU formally ended. The contract will run until 31st March 2023 by which point QVH expect to have concluded a formal procurement for the next phase of the CDC programme rollout, as is required by NHS procurement policies. Feedback intends to submit a bid in this subsequent procurement phase.

The Company completed its pivot towards Bleepa during a particularly turbulent trading period resulting from COVID-19. While this undoubtedly impeded our ability to sell and connect with our target customers, we are already seeing a large increase in customer engagement as we emerge from the pandemic, giving the Board confidence in the future opportunity - as healthcare providers recover and look to solutions that can aid them in their recovery. Bleepa and CareLocker are now perfectly positioned to address the manifold problems affecting our customers in their post pandemic recovery. Namely, reducing the elective care backlog by driving efficiencies in clinical pathway delivery and clinical workforce shortages by enabling clinicians to work collaboratively across geography and to be deployed more effectively to maximise the impact of specialists within a region. These capabilities are unique to our patient-centric and regulated infrastructure, and the real-world example of Sussex positions us right at the front of the NHS recovery agenda.

The Board also expects to see progress on the various opportunities that we have been evaluating in India, following our initial trade mission with DIT in 2019. The Company has been scoping this market over an extended period looking for opportunities to leverage our product suite and have identified the opportunity to bring digital TB screening to rural communities, provide patient access to digital imaging through CareLocker, and position Bleepa as a core clinical tool directly with Indian healthcare providers, who echo many of the pain points experienced by our customers in the NHS. Time has also been spent identifying the right channel partners and we are now confident in our approach to market. Whilst the Board expects the price point achievable in India to be naturally lower than those seen in the domestic market, the scale of the opportunity more than offsets this, making India an extremely attractive proposition for the Company in the next 12-18 months.

It would not have been possible to pursue these opportunities had we not invested heavily in repurposing our legacy products. The pivot was a bold but necessary move, and we are now beginning to see the rewards of that decision; both through strong revenue growth from new customers and from the diverse pipeline of opportunity in front of us.

T. Oakley

Dr Tom Oakley
Chief Executive Officer
16 September 2022

The Board

Prof Rory Shaw BSc MD MBA FRCP, Chairman (appointed to the Board on 29 August 2019)

Professor Rory Shaw was appointed as non-executive director, deputy chairman and subsequently chairman of Feedback PLC on 29 August 2019. He was previously medical director of Feedback Medical Limited, the Company's operating subsidiary. During his time with the Company, he has contributed to the development of the Company's strategy and the vision for Bleepa. He has played an active part in building relationships with the medical community in the UK and potential customers overseas. Rory is a member of the Remuneration Committee and the Nomination Committee.

Professor Rory Shaw has extensive managerial and overseas trade experience as well as a strong academic and clinical background. Professor Shaw was previously the medical director of Healthcare UK within the Department of International Trade. Over the previous 15 years, he has been medical director of three NHS trusts; North West London Hospitals NHS Trust, the Royal Berkshire NHS Foundation Trust and the Hammersmith Hospital NHS Trust. In 2001, he was appointed by the then minister of health as the first chairman of the National Patient Safety Agency and was also a non-executive director of the NHS Litigation Authority. Professor Shaw's clinical specialty is respiratory and general medicine. He has been published extensively in academic journals and was also a professor of respiratory medicine at Imperial College School of Medicine.

Professor Shaw is also on the Board of the vaccine development company DIOSynVax, and within the NHS, he is the Non-Executive Director for Quality and Performance on the Board of the Bath and NE Somerset, Swindon and Wiltshire Integrated Care System.

Dr Tom Oakley, BM(Hons) BSc (Hons) Chief Executive Officer (appointed to the Board on 9 April 2019)

Dr Tom Oakley trained as a Radiology Registrar before becoming an NHS England Clinical Entrepreneur Fellow where he supported a number of companies looking to launch products in the NHS. He joined as CEO of Feedback Medical Limited in February 2019 before being appointed as CEO of Feedback PLC on 9th April 2019. Upon joining the company he led a strategic review of the product portfolio and implemented a pivot away from the company's traditional low margin, low growth sales to Radiology customers, by developing a renewed product range targeted at a wider and underserved clinical audience, where a new pricing model of recurring SAAS revenue was initiated. These new products include Bleepa, a secure clinical communication and data viewing platform and CareLocker, a patient-centric cloud architecture that achieves new levels of secure data portability.

Tom has led the company through three successful funding rounds raising approximately £18.5m to stimulate the development and launch of Bleepa and CareLocker, taking these products from concept to contracts in multiple NHS sites and with a key veterinary sector partner. Under his leadership the company has achieved its pivot within three years, now recognising strong revenue growth with a number of scale opportunities in both domestic and international markets.

Anesh Patel, M.Sci (Hons), CA, Chief Financial Officer (appointed to the Board on 29 November 2021)

Anesh started his career with Ernst & Young in 2004 where he qualified as a Chartered Accountant, initially working in the audit & assurance division before transferring to the transaction support team for private equity clients. Prior to joining the Group in April 2021, Anesh held the position of Finance & Corporate Projects Director of hVIVO Limited, the main trading subsidiary of AIM-listed Open Orphan plc and a rapidly growing, industry-leading, clinical services provider to pharma, biotech and government organisations.

Anesh also has seven years of investment banking experience where he specialised in corporate finance advisory services for leading institutions Standard Bank and Société Générale, advising on a range of strategic transactions including public and private M&A and capital-raising. He graduated from University College London (UCL) and holds an M.Sci. (Hons) degree in Mathematics with Economics.
Since joining the Group, Anesh has optimised finance systems and processes to facilitate growth and the evolution to a recurring SAAS-based revenue model, and he co-led an oversubscribed equity fundraise of £11.2m in November 2021.

Adam Denning, Non-executive Director (appointed to the Board on 3 February 2020)

Adam currently serves as a non-executive director of Finlight.com, a software-as-a-service start up delivering solutions for wealth managers, as a trustee at the Ben Uri Museum and Gallery, and as managing director of Logical Operators Limited, his own consultancy firm. Previously, he spent 25 years at Microsoft Corporation in various roles. From 2011-2017, he was a partner group program manager. In this role, he reported directly to the corporate VP of the Windows platform, leading an international team of over 100 people and executing updates to Windows to deliver new customers. Before then, from 1999-2001, he served as the assistant technical advisor to the Executive Office. Among other responsibilities, Adam presented “demo days”, where he would demonstrate internal and external technology to Bill Gates and would attend all of his product reviews.

Adam is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Philipp Prince, MA(Cantab) FCA, Non-executive Director (appointed to the Board on 15 July 2020)

Philipp is a chartered accountant with extensive experience in senior finance roles in both private and listed technology companies. He is the non-board Group CFO of BCB Group, a digital banking challenger. He was previously a board adviser at Overmore Limited, a marketing technology firm, the CFO of Defenx plc, an AIM-listed mobile cyber security company, where he managed the IPO process, fundraising and investor relations and Interim CFO at Enecsys plc, a private equity backed solar micro-inverter developer. For over 20 years, Philipp worked at BDO LLP, where he was a corporate finance partner from 2002-2013. Philipp chairs the Audit Committee and is a member of the Remuneration Committee and the Nomination Committee.

Annemijn Eschauzier, Non-executive Director (appointed to the Board post period on 01 June 2022)

Annemijn is a strategic marketing leader and brings significant global leadership experience with a career spanning over 25 years in the Healthcare sector. She started her career at GlaxoSmithKline before moving to GE Healthcare, where she held a variety of leadership positions for over 15 years becoming Chief Marketing Officer Women's Health in September 2017. Since leaving GE Healthcare in 2021, Annemijn has joined Hardian Health, a company which provides strategic services to navigate the digital health sector. In addition, Annemijn. holds other non-statutory Board member roles.

Post period on 21 June 2022, Annemijn was appointed as Chair of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee.

Strategic Report

The directors present their strategic report on the Group for the year end 31 May 2022. A comprehensive review of the year is given in the CEO's statement on pages 8 – 16.

Principal Activities

During the year under review, the principal activity of the Group has been the continued development and commercialisation of the Group's proprietary technologies:

- Bleepa - the image-based communication platform for frontline clinicians;
- CareLocker - the patient-centric cloud architecture; and
- BleepaBox - store and forward technology.

The Group also continues to leverage and monetise component of its legacy platform technology through license agreements. In addition, the company is supporting limited support contracts through the ongoing provision of legacy products Cadran PACS and TexRAD, though these are reducing over time.

R&D process

Feedback recognises the potential in enhancing and developing new products from its existing technologies. It is working closely with existing customers to identify unmet needs. To increase its software development capabilities the Group is continuing and expanding its collaboration with Future Processing Sp z.o.o. to develop new imaging software features and products.

Feedback capitalises external development costs for writing off against income generated in future accounting periods. The directors carefully consider what elements of this development expenditure will generate future economic benefits. This is based upon customer feedback on Bleepa, product enhancements, assessing the potential of Bleepa in non-medical markets and understanding overseas requirements.

Review of strategy and business model

The Company's strategy is to pursue opportunities for cross-provider care delivery for Bleepa and CareLocker both within the UK and internationally within India, where we expect to achieve higher contract values and operational margins than at present, whilst simultaneously experiencing lower competition.

Leveraging legacy technology and developing our existing products to maximise product market fit and maintain our competitive advantage will remain a core strategy for the Company and will result in continued software development spend on a measured basis.

Further details on Feedback's strategy and business model is given in the Chairman's statement on pages 6 – 7 and the CEO's statement on pages 8 – 16.

Principal risks and uncertainties

The Board is responsible for developing a comprehensive risk framework and a system of internal controls. We have identified the following as the principal risks and uncertainties that are facing the Group:

Strategic			
Risk	**Description and impact**	**Trend**	**Mitigation**
Product development	Risk that the products in development may cost more and/or take longer to develop than current estimates. The products in development may not perform as expected and fail to reach the production stage if not technically and commercially viable. Risk that the market for the product smaller than originally envisaged. ***Potential impacts:*** Lower revenues than estimated if commercially viable products are not developed. Inadequate return on investment if market size is smaller than originally envisaged. Requirement to raise additional financing to complete development if risks materialise.	↑	New product development is complementary to work already being undertaken by the business. We are therefore able to leverage existing technology, skills and know-how to reduce product development risk. The Group develops new products and features based on known customer requirements, establishing a relationship with different types of customer groups, across technology categories and geographies. The Board and senior management team evaluates potential market size and investment returns ahead of commencing new product development, and monitors progress regularly.
Competition	The Group operates in a highly competitive market and faces competition from products designed, marketed and supplied by companies with significantly greater resources. ***Potential impacts:*** New technologies emerge that may render the Group's products in development obsolete before development has completed, resulting in impairment charges. Increased competition may affect market share and lead to pricing pressure, impacting financial returns.	→	We continually monitor the commercial and competitive landscape, benchmarking our products against competitors and where possible, identifying new features and enhancements needed to stay ahead. We engage in regular customer dialogue to define future use cases for our products to ensure that the product offerings remain differentiated. The Group focuses on the development and ownership of IP, which it believes will create the greatest long-term value for the Group.
Overdependence on a single customer	The NHS currently contributes a significant proportion of the Group's revenues. Changes to its organisational structure and procurement processes could affect the Group's ability to sell effectively to this customer. Examples of this	→	Close engagement with the NHS at strategic and tactical levels by the Board and management team, who have significant experience working in, and supplying to, the NHS, and have relationships with key NHS decision-makers.

	include the transition from Clinical Commissioning Groups (CCGs) to ICSs and the merging of NHS Digital and NHSX with NHS England and NHS Improvement. The NHS procurement process can be complex lengthy with the risk that the Group may not be included on future frameworks which govern procurement. **Potential impacts:** Revenues fall short of expectations, take longer to materialise, or do not materialise at all.		Increasing diversification of the Group's business, reducing reliance on the NHS as a revenue source with a target of achieving a balance between NHS and non-NHS revenues over time. Stated strategy to expand into geographies outside of the UK will also reduce specific exposure to the NHS.
Operational			
Risk	**Description and impact**	**Trend**	**Mitigation**
Cyber security threats	Risk that the Group will be subject to a cyber security breach, leading o catastrophic failure of IT systems, which could result in a significant data loss or leak of sensitive patient data. **Potential impacts:** A successful cyber-attack could expose the Group to significant loss of operations, potential litigation, and commercial, financial, and reputational damage. In the event of a data breach the Group is liable to be fined for a breach of GDPR legislation.	↑	The Group has an established disaster recovery plan and ensures that secure back-ups are maintained. We evaluate all third-party suppliers, ensuring that they have appropriate fall-back systems and disaster recovery processes. Feedback Medical Ltd is certified against the Information Security Standard ISO: 27001 and is subject to regular audits of its Integrated Management System by its Certification body External audits and assessments including penetration tests provide independent scrutiny of the Group's IT infrastructure, allowing us to retain our compliance certification with the UK's Cyber Essentials Plus standard. The Group has cyber insurance in place and has established policies which are monitored by our Chief Regulatory and Compliance Officer to protect the Group against a cyber-attack and any security breaches in this area.
Regulatory approvals and compliance	Regulatory approvals are required to market and sell medical devices into both the UK and potential export markets. Following Brexit, the UK may require new standards to the	↑	The Group's Regulatory, Quality and Compliance team is focused on the regulatory needs for product development and prepares high-quality documentation to support all

	prevailing CE/UKCA standards requiring additional regulatory approval of our products before they can be offered for sale in the UK. Following receipt of regulatory approval, products are subject to continual review and there can be no assurance that such approvals will not be withdrawn or restricted. There may also be regulatory changes that could require additional studies or validation and a need to resubmit products to the regulatory authorities, with no assurance that we will receive regulatory approvals to continue marketing the products. The Group also need to comply with ongoing regulatory requirements, such as maintaining a quality system, for which we are subject to periodic inspections (scheduled and unscheduled), with a risk that these inspections highlight issues which require a temporary suspension in trading activities. ***Potential impacts*** Failure to obtain or maintain regulatory approvals for its products may result in a delay, or make impossible, the commercial exploitation of the Group's products, threatening its ability to trade in the long term. Potential financial penalties for non-compliance, with associated reputational impact Changes in applicable legislation, regulatory policies, or the discovery of problems with products may all result in the imposition of restrictions on sale, including the withdrawal of the product from the market, or may otherwise have an adverse effect on the Group's business and/or revenue streams.		regulatory applications. This team monitors changes to laws and regulations and ensures compliance with legislation and codes of best practice. Bleepa is UKCA marked and we continue to monitor the UK's regulatory landscape post Brexit and will take necessary actions to register our products in any alternative UK-based system as and when required. All documentation is stored and available should any resubmission be necessary, and our quality systems are designed to be sufficiently robust to withstand any necessary scrutiny. Feedback Medical Ltd is certified against the Medical Device Manufacture Quality Standard ISO: 13485 accredited and is subject to regular audits of its Integrated Management System by its Certification body. External audits of quality management systems (ISO27001 and ISO9001 certifications) are performed regularly. All employees are provided with ongoing training on key regulation such as anti-bribery and corruption and GDPR.

Dependence on key executives and personnel	The success of the Group is highly dependent upon the expertise and relationships of the Directors and other senior employees. The competition for skilled technology individuals is highly competitive, with the risk that Feedback cannot attract and retain highly skilled and dedicated staff. **Potential impacts:** The loss of any of the key individuals could have a material adverse effect on the ability to grow and scale the business within the UK and internationally.	→	The Remuneration Committee ensures that salaries and incentive schemes are benchmarked against industry standards and are reviewed annually. A share option plan exists for all employees, providing a long-term incentive to remain with the Group. Contracts of employment are drafted to include the necessary confidentiality and non-compete clauses. Any potential skill shortages in our employee base are identified and we continuously monitor the market to ensure that suitable individuals can be recruited. We undertake succession planning to minimise the potential impact should any senior level roles choose to exit the business and we have initiatives in place to achieve high levels of employee engagement.
Dependence on third-party suppliers	The Group's business depends on products and services provided by third parties, including software development services. There is a risk of delay and/or interruption to the supply of products or services by these third parties, and a risk that such products and services are not delivered to product specification. **Potential impacts:** Failure by a third-party supplier to deliver products and services on time could result in increased working capital requirements and a potential delay and/or reduction in revenues.	→	Our product and R&D teams work strategically and seek to prevent over reliance on any one key supplier, having multiple suppliers and other such mitigations where required. We retain ownership of our own IP, and ensure that our inhouse teams have the knowledge and know how to manage that IP. This ensures that the group can guide product development in a safe and efficient manner, minimising the reliance on external third parties. Business interruption insurance is in place and alternative suppliers are identified to ensure that there is always a secondary source for key products and services necessary. Suppliers are carefully selected to minimise risk of supplier failure or insolvency. We ensure our team members are aware of supplier requirements or restrictions, to minimise the risk of loss of a supplier, due to a breach of contractual obligations.
Financial			

Risk	Description and impact	Trend	Mitigation
Availability and terms of additional financing	The Group's financing requirements depend on several factors, including the rate of market acceptance of our products/technologies and our ability to attract customers. There is a risk that the Group is unable to obtain adequate financing on acceptable terms, if at all, such that it cannot meet its financial obligations as they fall due. **Potential impacts:** Inadequate financing could result in the delay, reduction or abandonment of research and development programmes and/or negatively impact the commercialisation of our products.	↓	The Board regularly monitors the cash position of the Group and ongoing cash requirements. We have systems, controls, and processes to manage expenditure in line with budgets, and cash is managed through rolling cash flow forecasts which are updated at least monthly. The November 2021 fund raise added significant strength to the balance sheet to allow Feedback to achieve its near-term objectives. A significant amount of our development spend is currently subject to HMRC research and development tax relief.
Economic and political uncertainty	The Group could be affected by overall economic and political conditions in the UK and globally including the risk of a recession, persistently high inflation, currency fluctuations, the continuing Russia/Ukraine conflict, and economic and political instability associated with Brexit **Potential impacts:** A recession, particularly in the UK, could lead to the Group's customers reducing their expenditure on the Group's products and/or being more price sensitive. The Russia/Ukraine conflict could lead to further lead surges in energy costs. The Group purchases services within the EU which may become more expensive with longer lead-times from order to delivery and increased red tape.	↑	The Group's products are considered to be better value for our customers than competitor products, particularly the NHS, and our pricing strategy incorporates customer budgetary constraints and processes. The Group is a low energy user and we do not have any customers or suppliers in Ukraine or Russia, and are therefore not currently experiencing any material disruption to our operations. We continue to closely monitor the evolving situation and will develop appropriate response plans if required. We continue to review and monitor the economic and political changes post Brexit and will continue to consult widely to better understand any uncertainty and associated impacts.

Future outlook

The CEO's statement on pages 8 – 16 gives information on the future outlook of the Group.

Key performance indicators

The ongoing performance of the Company is managed and monitored using a number of key financial and non-financial indicators on a monthly basis: revenue; operating expenses; operating loss; cashflows from operating and investing activities; cash balance end of period; investments in intangible assets (primarily software development); net assets; and contract liabilities (see Financial Review section of CEO statement). The Board is also developing non-financial key performance indicators to assess performance, including user acquisition and utilisation rates, which will be necessary as further Bleepa sales are made. These KPIs will be deployed across industry segments and by country.

Employees

The average number of full-time equivalent employees was 19 for the year under review. The Group will be investing further in the HR function to provide the necessary support for our growth plans, ensuring a positive working environment for our staff and a strong culture of community, transparency, accountability, reward and recognition.

Environment

Feedback operates a predominantly virtual business model with most employees working from home. The directors consider that the nature of the Group's activities is not inherently detrimental to the environment.

Social, community, and human rights

The Board recognises that the Group has a duty to be a good corporate citizen and to respect the laws and where appropriate, the customs and culture of the territories in which it operates. It contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

Section 172 Statement

This section serves as our section 172 statement and should be read in conjunction with other information included in this Annual Report.

Directors of a company must act in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the non-exhaustive list of factors set out in Section 172 of the Companies Act 2006.

Section 172 also requires directors to take into consideration the interests of other stakeholders set out in Section 172(1) in their decision-making.

Engagement with our members and wider stakeholder groups plays an essential role throughout our business, as also noted in this report's Corporate Governance Statement and in the Directors' Report. Fostering an effective and mutually beneficial relationship with each stakeholder group is paramount to us. The Board will periodically review its principal stakeholders and how it engages with each group, reflecting the changing interests of each stakeholder group over time. Our understanding of stakeholder needs and concerns is factored into boardroom discussions about promoting the long term success of the Company, ensuring fair consideration of any potential long-term impacts of our strategic decisions on each stakeholder group. The likely consequences of any decision in the long term are noted in the Strategic Report section of this Annual Report.

The Directors endeavour to maintain a culture built on integrity, taking into account the desirability of the Company maintaining a reputation for high standards of business conduct, and regard to the need to act fairly.

At the end of the annual reporting period, the Board continue to have regard to the interests of the Company's stakeholders, including the potential impact of the Company's future activities on the community, the environment and the Company's reputation when making decisions.

The Board continues to take all necessary measures to ensure the Company is acting in good faith and fairly between members and is promoting the success of the Company for its members in the long term.
Throughout this Annual Report, we provide examples of how we:

- Take into account the likely consequences of long-term decisions;

- Foster relationships with stakeholders;
- Understand the importance of engaging with our employees;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making.

The table below acts as our Section 172 statement by setting out the key stakeholder groups and how Feedback Plc has engaged with them over this annual reporting period, though, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Why we engage	How we engage
Investors	We maintain and value regular dialogue with our investors and place great importance on our relationship with them. We know that our investors expect a comprehensive insight into the financial performance of the company, and awareness of long-term strategy and direction. As such, we aim to provide high levels of transparency and clarity about our results and long-term strategy to build trust in our future plans.	• Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Reports • Company website • AGM • Stock exchange announcements • Press engagements • Analyst research
Employees	Our people are at the heart of our business. Effective employee engagement leads to a happier, healthier workforce who are invested in the success of the company and who are all pulling in the same direction. Our engagement seeks to address any employee concerns regarding working conditions, health and safety, training and development, as well as workforce diversity.	• Open and regular informal dialogue • Workforce communications • Employee benefit packages • Encouraging employee training and development • Board level communication and interaction • Whistleblowing procedures • Employee questionnaires
Regulators	The Company's operations are subject to a wide range of listing requirements, regulatory and legal frameworks, including regulation of medical and healthcare products, data protection, tax, employment, along with contractual terms.	• Compliance updates at Board meetings • Risk reviews • Committed to being open and transparent and working closely with regulators • Informing Board of key drivers of regulatory requirements, leading to increased investment • Working with regulators on certification/product approvals

Stakeholder	Why we engage	How we engage
Clinicians	We work with clinicians to ensure our products are effective and meet regulatory requirements.	• Expanded use of clinicians and advisory bodies to expedite product approvals
Patients and their families	We develop products designed to facilitate a patient's clinical pathway.	• Using patient-centric technology to integrate user-generated content into an individual patient's medical record • Working closely with industry bodies to keep informed of trends or changes affecting our patients • Development of technology enables the commercialisation of products designed to improve outcomes.
Supply Chain	A robust and transparent supply chain results in greater visibility, leading to lower exposure to risks and disruptions.	• Awareness of importance of complying with agreed payment terms and requirements to disclose payment terms • Closer working relationships with suppliers • Risk mitigation plans
Partners	Our network of partners allows us to develop our products to meet the clinical needs of patients that we cannot reach directly. We partner with companies that can advance the recognition of our products through complementary technologies, a wider distribution channel or introduction into new clinical settings.	• Engage in open and transparent relationships that utilise the skills of both parties to maximise the potential of Feedback's products • Maintaining effective engagement channels to foster collaborative relationships • Direct, open dialogue and regular face to face meetings • Board approval on significant changes of suppliers • Careful selection of partners to ensure optimal customer experience
Communities & Environment	Our values encourage us to contribute to our local communities, reduce our environmental impact and help to stop climate change.	• Oversight of corporate responsibility plans • Introduction of CSR initiatives • Customer discussions on environmental impact and emissions

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report on pages 19 – 27 and the Company's Corporate Governance Statement on pages 32 – 39. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The strategic report was approved by the Board on 16 September 2022 and signed on its behalf by:
Rory Shaw Non-executive Chairman

Directors' Report

The Directors present their report and the financial statements for the year ended 31 May 2022.

Future developments

The future developments for the Group are discussed in the Chairman's Statement and the Strategic Report.

Directors

The Directors and brief biographies are detailed on pages 17 – 18.

The Directors of the Company during the year were:

Prof R Shaw
Dr T Oakley
A Denning
P Prince
A Patel (appointed 29 November 2021)
S Sturge (resigned 30 June 2021)
L Melvin (resigned 29 November 2021)

Director changes which occurred subsequent to the year under review are as follows:

A Eschauzier (appointed 1 June 2022)
T Irish (resigned 1 June 2022)

In accordance with the Articles of Association, Professor Rory Shaw retires by rotation and being eligible offers himself for re-election at the Company's forthcoming AGM. Anesh Patel and Annemijn Eschauzier, having been appointed during the year under review also offer themselves for election at the AGM.

Directors' emoluments

Directors' emoluments during the year under review are detailed in the Remuneration Committee report on pages 42 – 44.

Directors' shareholdings

Details of Directors' beneficial interests in the Ordinary Shares of the Company on 31 May 2022, and details of Directors' share options, are set out in the Remuneration Committee report on pages 42 – 44.

Significant shareholders

As at 25 July 2022, the Company had been advised or is aware of the following interests of 3% or more in the Company's issued share capital:

	No, of Shares	%
Unicorn Asset Management Limited	485,714,290	18.21%
Octopus Investments Nominees Limited	340,000,000	12.75%
Premier Miton group plc	253,333,332	9.50%
Mole Valley Asset Management Ltd	142,980,649	5.36%
Thomas Charlton	117,974,351	4.42%

Share Capital

Details of the changes in the share capital of the Company during the year are set out in Note 18.

Employment policies

The Group is committed to employee involvement in the business and there are consultative procedures available for management and other employees to discuss matters of mutual interest. The Group places value on the involvement of its employees and they are regularly briefed on the Group's activities. The Group closely monitors staff attrition rates which it seeks to maintain at current low levels and aims to structure staff compensation levels at competitive rates in order to attract and retain high calibre personnel. The Group has a policy of non-discrimination in respect of sex, colour, religion, race, disability, nationality or ethnic origin.

Creditor payment policies

The Group's policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. Payment terms for the year ended 31 May 2022 averaged 24 days (2021: 31 days).

Business relationships

The Group's key business relationship is with Future Processing Sp z.o.o who support our research and development function. Regular dialogues, virtual and face to face meetings occur weekly and they have been integral to the development of Bleepa. The Group treats many smaller suppliers as business partners as they are required to support our limited internal resources.

Energy use and carbon emissions

During the year ended 31 May 2022, the Group's energy consumption was considerably below 40,0000 Kw Hours, and therefore no consumption or emissions data is presented.

Treasury policy

The Group has adopted formal treasury policies to control its financial instruments. It has a Group Treasury policy not to undertake transactions of a speculative nature. Group cash flows are managed centrally, and surplus cash is invested in short-term financial instruments. The Group does not undertake hedging transactions in foreign currencies. Foreign currencies are generally converted automatically into sterling on receipt.

Compliance with these policies is monitored by the Board. Other than for currency disclosures, the Group has taken advantage of the exemption permitting it not to treat short-term debtors and creditors as financial instruments.

Results and dividends

An analysis of the Company's performance is contained within the Strategic Report. The Company's Statement of Comprehensive Income is set out on page 50 and shows the financial results for the year.

Information regarding the Group's principal risks, results, future developments, R&D activities, dividends and key performance indicators are provided in the Strategic Report.

No dividend was declared in the year (2021: £nil).

Statement as to disclosure of information to external auditors

The Directors who were in office on the date of approval of these financial statements have confirmed that

- As far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's external auditor is unaware; and

- each of the Directors have confirmed that they 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 Group's external auditor is aware of that information.

Auditor

Price Bailey LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

Going concern

The Group incurred a net loss of £2,116,358 for the year ended 31 May 2022 however it had net assets of £13,711,507 inclusive of £10,305,577 of cash and cash equivalents at 31 May 2022. The directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included a review of financial results, internal budgets and cash flow forecasts to 30 September 2023, including downside scenarios.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Group and parent Company financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors are required to prepare the Group and parent Company financial statements in accordance with UK adopted international accounting standards. 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 Group and Company and of the profit or loss of the Group for that year. The financial statements are required by company law to give a true and fair view of the state of affairs of the Group and parent Company and of the profit and loss of the Group for that period.

In preparing each of the Group and parent Company 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;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and parent Company and to enable them to ensure that the financial statements comply with UK adopted international accounting standards. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report to comply with that law and those regulations.

In determining how amounts are presented within terms in the income statement and balance sheet the Directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

The directors are also 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.

The Directors' Report was approved by the Board on 16 September 2022 and signed on its behalf by:

Rory Shaw
Non-Executive Chairman

Corporate Governance Statement

Chairman's Introduction

As Chairman of the board of Directors of Feedback Plc ("Feedback", the "Company" or the "Group"), it is my responsibility to ensure that the Company has both sound corporate governance and an effective board of directors (the "Board"). As Chairman, my responsibilities include leading the Board effectively, overseeing the Group's corporate governance model, and ensuring that good information flows freely between Executive Directors and Non-Executive Directors in a timely manner.

The Board is responsible for setting and approving the Group's long-term objectives and overall strategy as well as overseeing performance. Corporate governance is an important part of that role, reducing risk and adding value to our business. The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") as the basis of the Group's governance framework. An overview of the Company's compliance with the QCA Code principles as of the date of this statement is provided below and provides an opportunity to reaffirm Feedback's commitment to following best practice in corporate governance.

The Board is of the opinion that the Group complies with the QCA Code as far as practicable having regard to size, nature, and current stage of the development of the Group. Application of the QCA Code supports the Group's medium to long-term success whilst simultaneously managing risks and provides an underlying framework of commitment and transparent communications with stakeholders.

Governance related matters which have occurred during the year include the resignation of Simon Sturge as Non-Executive Director in June 2021, the appointment of the CFO, Anesh Patel, and resignation of Lindsay Melvin as former CFO in November 2021, and the appointment of ONE Advisory as Company Secretary in April 2022.

Rory Shaw

Chairman

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders.

The principal strategic objective of Feedback is to become a global provider of innovative medical technology solutions through the development and commercialisation of the Group's proprietary clinical technologies. The Company's purpose is to deliver long-term value for our shareholders by building a valuable commercial enterprise within the medical technology industry and communicating progress transparently to the market.

The Company is focused on the following areas:

- Piloting, developing, and marketing its core products: Bleepa, a secure, encrypted medical communication app for clinicians; CareLocker, the Company's patient-centric cloud architecture and platform for the secure storage of medical data, and BleepaBox, enabling connected imaging in remote locations.
- Using its existing portfolio of products to advance the work of radiologists, clinicians, and medical researchers by improving workflows and giving unique insights into diseases, particularly cancer.

Feedback's strategy is explained in more detail within the Strategic Report on pages 19 – 27 of this Annual Report. The Company's approach to risk management, challenges to delivering the Company's strategies as well as steps the Board takes to protect the Company and mitigate these risks are outlined on pages 21 – 25 of the Strategic Report.

The Directors' obligation under s172(1) to consider the long-term consequences of their decisions is addressed on page 26.

Principle 2: Seek to understand and meet shareholder needs and expectations.

The Company places a great deal of importance on communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company seeks to provide effective communication through Interim and Annual Reports, along with Regulatory News Service (RNS) announcements on the Company website, https://fbkmed.com/feedback-plc/.

The Board is committed to maintaining good communication and constructive interaction with all shareholders through our Half Year and Annual Reports as well as Regulatory News Service releases. We also use the Company's website to keep shareholders up to date on financial and general news.

Feedback encourages two-way communication with its investors and responds quickly to queries received. The Company has an email address (info@fbkmed.com) where shareholders can communicate with the Board. The Directors meet regularly and proactively with private and institutional shareholders and other key stakeholders, including after the announcement of full-year and half-year results, and are responsible for ensuring that their expectations are understood by the Board. The Company's Annual General Meetings also provide opportunities for dialogue between the Board and the Company's shareholders and enable the Directors to ensure they have a sound understanding of shareholder sentiment. The Board welcomes direct feedback from stakeholders and acts on this where appropriate. The key contacts for shareholder liaison are Tom Oakley and Anesh Patel.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Board recognises that the long-term success of the Company is reliant upon the ongoing support of its shareholders and the efforts of its stakeholder groups, both internal and external. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. Engaging with the Company's stakeholders is core to the Company's strategy and is considered to be a driver of long-term shareholder value. The Board's understanding of stakeholders is factored into boardroom discussions, including how to address their specific needs and concerns regarding the potential long-term impacts of the Company's strategic decisions. The Board regularly reviews the Company's principal stakeholders and how it engages with them.

Feedback is committed to being a responsible employer in all aspects of our business. This is evidenced and underpinned by our vision and values and in particular: satisfied customers, operational excellence, improving product design and innovation and an engaged workforce. We are focused on our employee wellbeing and endeavour to respond swiftly to our prestigious customer base.

Through monitoring its customer base, the Company is able to identify its key relationships on which the business relies and is able to ensure feedback is obtained from those relevant persons. It obtains this feedback by regular dialogue and face to face meetings. Products have been enhanced as a result of evaluating customers' comments.

The Company also has an Anti-Bribery Policy and a Whistleblowing Policy in place in order to discourage unethical business conduct in the Company and to protect the interests of its workforce.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Board recognises the need for an effective and well-defined risk management process, and it oversees and regularly reviews the current risk management and internal control mechanisms.
The Board is responsible for providing entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risks to be managed and assessed against the Company's strategic aims. The Company maintains a risk register to identify strategic risks to the business and plans in place to mitigate those risks.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks in a timely manner. The Board ensures that corrective action is taken and that risks are identified as early as practically possible, as well as being responsible for reviewing the effectiveness of internal financial controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In addition, members of the Board attend industry conferences and seminars to keep abreast of sector risks and industry changes. The Group continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available.

The Board considers business risk at every Board meeting. This includes risks associated with its key customers and suppliers, ongoing trading performance and budgets. The risk register is prepared and updated by the management team and is reviewed by the Board at board meetings. The management team hold regular meetings (at least three a month) when they review the risk register and ensure that it is updated and accurately reflects the risks to the Company. The management team consists of the Company's key managers and executive Directors. The risks identified are evaluated by cause, impact on the Company, likelihood, and seriousness, mitigating actions, timelines, and responsibilities.

The Audit Committee has delegated responsibility to the Company's management to ensure an effective system of financial control is maintained for timely and accurate reporting of consolidated financial statements and related financial information for review by the Board and the Company's external auditors. The Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence and effectiveness of the external auditors and the audit, in order to determine the adequacy and efficiency of internal control and risk management systems.
An internal audit function is not yet considered necessary as day-to-day control is sufficiently exercised by the Company's Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Further details on the Group's approach to risk management and the principal risks and uncertainties to the Group can be found on pages 21 – 25 of the Strategic Report.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair.

During the period under review, the Board consisted of the Non-Executive Chairman, Professor Rory Shaw, the Chief Executive Officer, Dr Tom Oakley, the Chief Financial Officer, Anesh Patel (who replaced former Chief Financial Officer and Board member, Lindsay Melvin on 29 November 2021) and the other Non-Executive Directors, Philipp Prince, Adam Denning and Tim Irish. Post period, Tim Irish resigned from the Board on 01 June 2022 and Annemijn Eschauzier was appointed to the Board on 01 June 2022. Since Professor Rory Shaw has been an employee of the Group in the last five years, the Board undertook a formal review of Professor Shaw's status as an independent Non-Executive Director and concluded that he remains independent. This will be reassessed by the Board again for the next financial year. All Non-Executive Directors were considered to be independent for the purposes of the QCA Code during the period under review. The biographies of each member of the Board can be found on pages 17 – 18.

Meetings are open and constructive, with every Director participating fully. The Board meets on a monthly basis to ensure that the Company is fulfilling all its regulatory and compliance plc obligations, and, in order to be efficient, the Directors meet formally and informally both in person and by telephone. Prior to each Board meeting, Directors are sent an agenda and Board papers adequately in advance of every meeting, to facilitate proper assessment of any matters requiring a decision or insight. Additional information is provided when requested by the Board or individual Directors.

The Non-Executive Directors maintain ongoing communications with the Executive between formal Board meetings. The Non-Executive Directors are required to spend a minimum of one day a month on company business, or as much time necessary to fulfil their duties above this. The Non-Executive Chairman is required to spend a minimum of one day a week on company business, or as much time necessary to fulfil his duties above this.

In common with other organisations of a similar size, the Executive Directors are heavily involved in the day-to-day running of the business. The Board is responsible for setting and approving the Group's long-term objectives and overall strategy as well as overseeing performance and approving major items of capital expenditure.

Board and Committee Meetings

The Board held 11 scheduled monthly meetings in the year to 31 May 2022, the majority of which had a full attendance record.

Director	Board	Audit Committee[1]	Remuneration Committee	Nomination Committee
Tom Oakley	11	n/a	n/a	n/a
Anesh Patel (appointed 29 November 2021)	5	n/a	n/a	n/a
Rory Shaw	11	n/a	2	1
Adam Denning	11	1	2	1
Philipp Prince	11	1	2	1
Tim Irish	11	1	2	1
Lindsay Melvin (resigned 29 November 2021)	4	n/a	n/a	n/a
Simon Sturge (resigned 30 June 2021)	1	-	-	-

1. Audit Committee aims to meet two times a year. The second meeting related to the year under review was held shortly after the period close.

The Board retains full responsibility for the direction and control of the Group. The Board receives monthly board papers which cover operational, financial, and key stakeholder up to date information. Board minutes are recorded and approved at the next meeting. All Board members are well versed in their roles and responsibilities. All Directors have direct access to the advice and services of the Company's professional advisers, enabling them access to all required information in the furtherance of their duties.

In addition, one-third of the Board is required to retire and seek re-election at the AGM, in accordance with good governance.

System of appointments

The appointment of Non-Executive Directors is a matter for the Board as a whole, with a selection process being agreed ahead of a search commencing. The Non-Executive Directors have contracts for services for an unspecified period. Non-Executive Directors are subject to re-election every three years. Terms and conditions of appointment of the Non-Executive Directors are available for inspection.

Executive Directors are appointed by the Board of Directors but stand for election by the shareholders at the Annual General Meeting.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities

The Company's Board of Directors bring a vast amount of experience from a range of industries including accounting and finance, technology, and medicine. The Company believes that the current balance of skills in the Board as a whole reflects a broad range of personal, commercial, and professional skills, providing the ability to deliver the Company's strategy for the benefit of shareholders over the medium and long-term. Directors are encouraged to maintain up-to-date skillsets by attending training, conferences, and networking events.

The Board is satisfied it has a suitable balance between independence on the one hand, and knowledge of the Company on the other. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. Biographical details of the Directors can be found on the Company's website.

ONE Advisory Limited acts as Feedback's Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and compliance with the UK Market Abuse Regulation (MAR). ONE Advisory also supports the Board in its development of the Company's corporate governance responsibilities, obligations under the MAR and compliance with the AIM Rules.

The Nomination Committee, chaired by Rory Shaw, oversees the process to bring forward candidates, for the approval of the Board. Suggested changes to the Board are carefully evaluated by all Board members, and all appointments are made against objective criteria, on merit, ensuring that the Board has the appropriate skill set and experience, as a whole.

The Board have sought professional legal, HR and NOMAD advice as and when appropriate to do so, given the level of skills, knowledge, and experience of each Board member. Each Director ensures that their skillset is up to date by attending events, reading appropriate journals and news bulletins, and maintaining a regular dialogue with other skilled professionals.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continual improvement.

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. Therefore the Board accepts that the Company does not comply with this aspect of the QCA Code. The Chairman is currently responsible for informally reviewing both the Board's performance and that of its individual members, annually, and highlighting any issues identified. In frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it intends to re-consider the need for a formal Board evaluation.
The Board considers succession planning and composition to be crucial elements of ensuring the continued success and long-term prosperity for the Company. The Board has delegated responsibility to the Nomination Committee for such succession planning recommendations.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours.

The Company does not have a formal set of ethical values and behaviours. However, the Company endorses a 'no-blame' culture and has an 'open door' policy with regular staff meetings and management meetings. Management conduct regular one-to-one meetings with all staff, through which they are able to support staff in ensuring the Company's values are being recognised and reflected and assist in any staff training needs. The Directors and management are committed to developing a high standard in both ethical behaviours and values and are very supportive of employee wellbeing. The Company prides itself on being at the forefront for inclusion with the opportunity for all staff to have one-to-one meetings with Non-Executive Directors at periodic all-staff meetings, most recently in September 2022. .

Large parts of the Company's activities are centred upon an open and respectful dialogue with shareholders, contractors, regulators, and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Group has implemented, inter alia, the following policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- an Anti-Bribery and Corruption Policy
- a Whistleblowing Policy
- a Social Media Policy
- a Share Dealing Policy
- an Inside Information Policy

The Strategic Report and s172(1) statement provide further detail on the policies in place to promote and support ethical behaviour and the Group's values, and how these align with the Group's objectives, strategy, and business model.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Board is committed to, and ultimately responsible for, high standards of corporate governance, and has chosen to adopt the QCA Code. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to its Committees and individual members as it sees fit. The appropriateness of the Board's structures and processes are reviewed periodically through the board evaluation process and, if required, on an ad hoc basis, so reflecting the changing requirements of the Company.

The Chairman, Chief Executive, Chief Financial Officer, and Non-Executive Directors have clearly defined roles and responsibilities, with the role of the Chairman being to lead the Board and ensure it is operating effectively in approving and monitoring the strategic direction of the Company. The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's corporate strategies and policies and for the day-to-day management of the business.

The Non-Executive Directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust. The Executive Directors seek regular counsel from the Non-Executive Directors outside of Board meetings.
Whilst the Board has not formally adopted appropriate delegations of authority setting out matters reserved to the Board, there is effectively no decision of any consequence made other than by the Directors. All Directors participate in the key areas of decision-making, including the following matters:

- Formulating, reviewing, and approving the Company's strategy;
- Formulating, reviewing, and approving the Company's budget;
- Establishing a framework of prudent and effective controls which enable risks to be managed and assessed;
- Ensuring the necessary financial and human resources are in place for the Company to meet its objectives; and
- Setting the Company's values and standards.

The Board delegates authority to three Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit Committee
An Audit Committee is in place comprising three of the Non-Executive Directors. During the period under review the Committee was chaired by Philipp Prince, with Tim Irish, and Adam Denning being members. Philipp Prince is a chartered accountant who has an extensive background in finance and experience in senior commercial and CFO roles. The Audit Committee's purpose is to ensure that the audit process is rigorous and consistent.

A summary of the work undertaken by the Audit Committee is detailed in the Audit Committee report on pages 40 – 41 and a schedule of members' attendance for Committee meetings held during the period under review is noted in the table above.

Remuneration Committee
A Remuneration Committee is in place comprising the Non-Executive Directors and where appropriate, the Chief Executive and/or the Chief Financial Officer. During the period under review the Remuneration Committee was chaired by Tim Irish, with Rory Shaw, Phillip Prince, and Adam Denning being members. The Committee's purpose is to regularly review the remuneration package of all Directors and senior employees and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time.

A summary of the work undertaken by the Committee is detailed in the Remuneration Committee Report on pages 42 – 44 and a schedule of members' attendance for Committee meetings held during the period under review is noted in the table above.

Nomination Committee
The Nomination Committee consists of the Non-Executive Directors and is chaired by Rory Shaw. The Committee met 2 times during the period under review.

The Nomination Committee meets as required, has responsibility for reviewing the size and composition of the Board, and for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

Terms of Reference for the Audit and Remuneration Committees are available on the Company's website. The Board continues to monitor and evolve the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company encourages two-way communication with its stakeholders and responds quickly to queries received. The Chief Executive has historically participated in interviews on investor information channels and RNS announcements are regularly produced to provide up to date operational as well as statutory and Board news. General meetings are held where the Board is present to speak formally as well as informally to shareholders. The communications issued are available on the website.

The Company retains a broker and PR advisers, contact details of whom are included on announcements. Shareholders and stakeholders are able to contact the Company's advisers to arrange meetings with management when convenient. The Board also recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally, immediately following the AGM.
The annual report and accounts and notices of all general meetings for the last five years are available on the Company's website at https://fbkmed.com/feedback-plc/reports-and-presentations/.

The Company provides outcomes of all resolutions proposed at general meetings of the Company in a clear and transparent manner and seeks to engage with shareholders when results are not in line with Board expectations.
All 2021 AGM resolutions passed comfortably. The Board maintains that, were a resolution to be passed at a GM with 20% or more votes cast against, the Board would seek to understand the reason for the result and take suitable action where appropriate.

Audit Committee report

Dear shareholder, I present my Audit Committee report for the year ended 31 May 2022, which has been prepared by the Audit Committee and approved by the Board.

During the year under review, the Audit Committee was comprised of Philipp Prince, Adam Denning and Tim Irish. Post period, Tim Irish resigned from the Board and Audit Committee on 01 June 2022 and Annemijn Eschauzier was appointed to the Board and Audit Committee on 01 June 2022. The Audit Committee aimed to meet at least twice per annum although the second meeting fell after the end of the year under review. The committee will meet at least three times per annum in future. Meetings are also attended by others, by invitation, including the external auditor, the Non-Executive Chairman (Rory Shaw), the Chief Executive Officer (Tom Oakley) and the Chief Financial Officer (Anesh Patel).

I was appointed as Chair of the Audit Committee on 08 September 2020. As a fellow of the Institute of Chartered Accountants in England and Wales and former AIM company CFO, the Audit Committee continues to be satisfied that I have sufficient relevant financial experience to fulfil my duties as Audit Committee Chair.

The Audit Committee has not formally considered its effectiveness during the year under review as the Directors consider that the Company is not yet of a sufficient size for this process to make practical sense. Therefore, the Board accepts that the Company does not comply with this aspect of the QCA Code. However, the Chairman is responsible for informally reviewing the Audit Committee's effectiveness and highlighting any issues identified. A formal process is being implemented and will be undertaken for the current financial year.

Responsibilities

The Audit Committee has the following responsibilities:

Financial reporting

As stated in the Audit Committee terms of reference, the Audit Committee shall monitor the integrity of the financial statements of the Company, including its annual, half-yearly and interim management statements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Audit Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature. The Audit Committee will compile a report to shareholders on its activities to be included in the Company Annual Report, in addition to reporting formally to the Board on the Audit Committee's proceedings after each meeting on all matters.

External audit

The Audit Committee shall agree the scope of the annual audit in advance, focusing on areas of audit risk and the appropriate level of audit materiality. The Audit Committee will engage in discussions with the external auditor regarding fees, internal controls, accounting policies and areas of critical accounting estimates and judgements.
The external auditor will report to the Audit Committee on the results of the audit work and highlight any issue which the audit work has discovered, or the Audit Committee had previously identified as significant or material in the context of the Company's financial statements. The Audit Committee will meet with the external auditor at least once per year without management being present to discuss its remit and any issues arising from the audit.

Risk management and internal controls

The Audit Committee shall keep under review the adequacy and effectiveness of the Company's internal financial controls and risk management systems, monitoring the proper implementation of such controls, and will review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

The Audit Committee has a responsibility to review the adequacy of the Company's arrangements for its employees to confidentially raise any concerns about possible wrongdoings regarding financial reporting, ensuring that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action.

Significant issues considered by the Audit Committee during the year

During the year, the Audit Committee concluded that the Annual Report and financial statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's and the Group's financial position, performance, business model and strategy.

The Audit Committee's primary activity involved considering material issues within the Group, liaising with the external auditor, considering areas of judgement, and reviewing and approving the year end results announcement and accounts. The Audit Committee reviewed and made recommendations to the Board on the significant accounting issues below, potential changes to accounting policies and processes, and going concern considerations.

The significant accounting areas and judgements considered by the Audit Committee were:

Revenue recognition

The Audit Committee discussed the evolution of the group's product mix and specifically the basis used to determine how Bleepa software licence and support revenues are split and recognised over time. The Audit Committee was satisfied that management's judgement in the absence of explicit performance obligations and the consequential recognition of revenue and deferred revenue in the accounts was reasonable.

Valuation and amortisation of intangible assets

The Audit Committee reviewed the basis of capitalisation and amortisation and considered the intangible value attributed to its intangible software development costs. The Audit Committee was satisfied that the forecast cash flows from the anticipated level of future revenues, supported by customer interest and the sales pipeline, are sufficient to support the carrying values.

Going concern

The Audit Committee reviewed the cash flow forecasts for the Group and discussed the key assumptions and risks relevant to their achievement. The Audit Committee was satisfied that the basis for adopting the going concern basis in preparing the Group and Company financial statements, set out in note 3 on page 59, was reasonable.

External auditor's effectiveness and independence

The Audit Committee approves the external auditor's terms of engagement, scope of work, and process for the interim review and the annual audit. It also meets with the external auditor to review the findings of its work, the written reports submitted and effectiveness of the audit.

The Audit Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor. The Audit Committee assesses the independence, tenure and quality of the external auditor at least annually. The incumbent external auditor was appointed on 15 April 2020 and has completed annual audits for the three financial years ended 31 May 2022. There are no current plans to retender for the external audit. The external auditor does not provide any material non-audit services to the Company or its subsidiaries. Being satisfied with the external auditor's work for the year under review and of the external auditor's independence, the Audit Committee recommended that the Board reappoint the External Auditor.

Philipp Prince
Chair of the Audit Committee
16 September 2022

Remuneration Committee report

Dear Shareholder, I present my Remuneration Committee Report for the year ended 31 May 2022, which has been prepared by the Remuneration Committee and approved by the Board.

During the year under review, the Remuneration Committee was comprised of Tim Irish (Chair), Rory Shaw, Philipp Prince, and Adam Denning. Post period, Tim Irish resigned from the Board and Remuneration Committee on 01 June 2022 and I took over as Chair of the Remuneration Committee on 21 June 2022. The Remuneration Committee aims to meet at least once during the year to consider recommendations as to the composition and level of remuneration for Executive Directors including incentive scheme arrangements and proposals for share option awards. In addition, it considers the Group-wide pay policy, employee benefits offered and arrangements for any performance related pay scheme and share option schemes for employees in general.

Responsibilities

The Remuneration Committee's principal duties and responsibilities are set out in its Terms of Reference which are reviewed and reconfirmed annually. These include:

- determining the Group's policy on the remuneration of Executive Directors and any senior management as designated by the Board and monitoring the policy for the remuneration of staff in general;
- reviewing the performance of the Executive Directors against their individual and corporate objectives and making recommendations to the Board on matters relating to the level and structure of their remuneration;
- approving the design of and determining targets for any performance-related pay schemes operated by the Group; and
- approving and overseeing the design and application of share option plans

Executive bonuses are considered by the Remuneration Committee at year end and in relation to the achievement of key performance metrics agreed between the Remuneration Committee and the Executive team.

Company's policy on remuneration of Directors

Our policy is to ensure that the remuneration of Directors and senior executive management is aligned with performance and that all employees are rewarded for the delivery of long-term value to shareholders.

The Non-Executive Directors, whose remuneration is determined by the Board as a whole, receive fees in connection with their services provided to the Group, to the Board and to Board Committees.

The main components of the remuneration packages for the Executive Directors are:

Basic salary

The basic salary for each Director is determined by considering the performance of the individual and information, where available, on the rates of salary for similar posts in comparable businesses. The Chief Executive Officer's current salary is £149,940 and the Chief Financial Officer's current salary is £139,230. Future salary increases will be set in line with relevant market levels, considering economic changes and the performance of the business and will aim to retain and attract high quality executives.

Annual bonus

Annual bonuses are available to Executive Directors and senior management on the attainment of specific performance targets. For the year ending 31 May 2023, an annual bonus of up to two-thirds of salary will be available to the Chief Executive Officer and an annual bonus of up to one-half of salary will be available to the Chief Financial Officer, depending on the attainment of challenging, stretch performance targets linked to revenue growth, gross margin protection, strategic partnerships and leadership.

Benefits in kind and pensions

Presently, the Executive Directors are provided with the opportunity to receive private medical insurance and to participate in a Cycle to Work scheme. In addition, as an alternative to the government workplace pension scheme, the Executive Directors are provided with the opportunity to join the Company pension scheme with a matched 5% employer contribution at present, in line with all other permanent employees.

Share options

The Company's policy is that, in addition to their salaries and bonuses, Executive Directors and senior executive managers should be awarded share options with challenging share price performance targets in order that their interests may be more closely aligned with those of shareholders.

Directors' remuneration

(a) The Directors' total remuneration during the year ending 31 May 2022 and the prior year ending 31 May 2021 is set out below:

Year ending 31 May 2022	**Salary**	**Bonus**	**Fees**	**Pension**	**Benefits in Kind**	**Total**
	£	£	£	£	£	£
Executive Directors						
T Oakley	142,179	40,000	-	3,552	-	185,731
L Melvin (resigned 29th November 2021)	31,200	-	-	4,636	898	36,734
A Patel (appointed 29th November 2021) [1]	66,612	10,000	-	3,793	-	80,405
Non-Executive Directors						
R Shaw	60,000	-	-	-	-	60,000
T Irish[2]	-	-	25,000	-	-	25,000
S Sturge	-	-	-	-	-	-
A Denning	25,000	-	-	-	-	25,000
P Prince[3]	-	-	25,000	-	-	25,000
Total	324,991	50,000	50,000	11,981	898	437,870

1. *A Patel remuneration in the table above reflects his time in service during the year, from 29 November 2021.*
2. *T Irish was paid consultancy fees through an agreement with Pembrokeshire Retreats Limited.*
3. *P Prince was paid consultancy fees through an agreement with NAM Financial.*

Year ending 31 May 2021	Salary	Bonus	Fees	Pension	Benefits in Kind	Total
	£	£	£	£	£	£
Executive Directors						
T Oakley	138,334	30,000	-	-	-	168,334
L Melvin	59,280		-	6,672	825	66,777
Non-Executive Directors						
R Shaw	-		5,000	-	-	5,000
T Irish[1]	-		25,000	-	-	25,000
S Sturge	-		-	-	-	-
A Denning	25,000		-	-	-	25,000
P Prince (appointed 15 July 2020)[2]	-		21,875	-	-	21,875
Total	222,614	30,000	51,875	6,672	825	311,986

1. *T Irish was paid consultancy fees through an agreement with Pembrokeshire Retreats Limited.*
2. *P Prince was paid consultancy fees through an agreement with NAM Financial.*

(b) Details of the interests in share options held by the Directors of the Company as at 31 May 2022 are set out below:

	No. of options	Date of grant	Exercise price	Exercisable period
			Pence	
T Oakley	9,332,081	09 April 19	1.09	09 April 19 – 09 April 29
T Oakley	13,498,748	23 April 20	1.20	01 June 20 – 24 April 30
T Oakley	83,846,520	23 February 22	0.70	31 May 22 – 31 May 30
A Patel (appointed 29th November 2021)	53,338,680	23 February 22	0.70	31 May 22 – 31 May 30
R Shaw	2,800,000	26 June 18	1.86	01 March 19 – 26 June 28
R Shaw	5,000,000	23 April 20	1.20	01 June 20 – 24 April 30
R Shaw	9,600,000	23 February 22	0.70	23 February 23 – 23 February 32
Total	177,416,029			

Further details on share options are set out in Note 18.

Directors' interests

The beneficial interests of the Directors in the ordinary shares of the Company on 31 May 2022 are set out below:

	No. of shares	%
R Shaw	11,260,639	0.42
A Denning	2,958,981	0.11
P Prince	4,046,543	0.15
Total	18,266,163	0.68

Annemijn Eschauzier
Chair of the Remuneration Committee
16 September 2022

Independent Auditor’s Report to the Members of Feedback plc

Opinion

We have audited the financial statements of Feedback plc (the ‘parent company’) and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the company cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company’s affairs as at 31 May 2022, and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; 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 group and parent 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 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.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements In particular we looked at where the directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud.

Key audit matters

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

Revenue recognition

In our assessment of audit risk, we determined that the existence and timing of revenue recognition give rise to a significant risk of material misstatement. The group has a variety of revenue streams including software installation, software licences, scientific and software support and consultancy. The risk is that income is overstated through non-deferral of income which should be deferred as the criteria of income have yet to be met.

We focused on timing of revenue recognition in accordance with stated accounting policies and its subsequent presentation in the statement of comprehensive income.

Our procedures included:

Analytical procedures and depth testing on a sample of transactions to confirm the validity of sales recorded and the point of transfer of the risks and rewards of ownership through identification of the timing of revenue recognition by sampling a number of transactions and contracts throughout the year ensuring they had been accounted for correctly and that revenue is complete.

Gaining an understanding of the systems and procedures implemented to ensure revenue is recognised in the appropriate accounting period, testing a sample of entries where necessary.

Reviewing the recognition and recoverability of trade receivables at the year end to assess the validity of their recognition and carrying values as at 31 May 2022.

Our work did not identify any items that could not be substantiated.

Intangible assets – capitalised development costs and valuation

The group holds material intangible assets in relation to patents, customer relationships and software developments. The main risk is ensuring that intangible assets are held at the appropriate value and recognition criteria under IAS 38 have been met before being capitalised.

We focused on intangible assets valuation and recognition in accordance with stated accounting policies.

Our procedures included:

Reviewing a sample of additions to supporting invoices and documentation received from third parties to ensure intangible assets were correctly valued. We carried out audit testing to ensure that amounts capitalised met the recognition criteria within the standard and were in accordance with stated accounting policies. We also reviewed whether any impairment was required by looking at the progress made in development, discussed recent trials, reviewed update in the development phase and reviewed correspondence with potential customers.

The rationale for recognition of these costs was discussed with management, and the products for which items had been capitalised assessed against the recognition criteria of IAS 38 by reference to supporting evidence.

Intangible assets – impairment review

The carrying value of intangible assets which are not yet being amortised because they are not yet available for use are reviewed for impairment annually. The carrying value of intangible assets which are currently being amortised are reviewed for impairment when there is an indication that they may be impaired. There is a risk that intangibles are subject to impairment.

Our procedures included:

- We assessed management's methodology of impairment review and accounting policy as set out in note 3 to ensure it was carried out as required under IAS36 "Impairment of Assets". We evaluated management's cash flow forecasts and the processes by which these were drawn up.

- We considered the assumptions used by management including growth rates. We carried out sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.

Our application of materiality

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable knowledgeable users that are taken on the basis of financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality for the group's financial statements as a whole on the pre-tax loss for the group and concluded materiality to be £140,000. We consider that loss provides us with the most relevant performance measure to stakeholders of the entity given the stage of the group's activity and growth.

We assessed materiality for the parent company's financial statements as a whole on the basis of 2% of net assets and restricted at 75% of Group materiality, being £105,000.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Independent Auditor's Report to the Members of Feedback plc - continued

We assessed performance materiality for the group's financial statements as a whole at 60% of materiality and concluded performance materiality to be £84,000.

We assessed performance materiality for the company's financial statements as a whole at 60% of materiality and concluded performance materiality to be £63,000.

In determining our performance materiality we have also considered the nature, quantum and volume of corrected and uncorrected misstatements in prior periods and our expectation that misstatements from prior periods would not likely recur in the current period.

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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the forecasts prepared by management to see whether this will be sufficient to meet their requirements for the next 12 months from the date of approval of these financial statements, review of management accounts after year end, and considering whether the assumptions used appear reasonable taking into account past performance and current conditions. As at 31 May 2022 the group had cash balances of £10,305,577 and we assessed whether this will be sufficient to enable the group to meet liabilities as they fall due, taking into account market conditions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or

Independent Auditor's Report to the Members of Feedback plc - continued

- 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 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group.

Our approach was as follows:

- We considered the nature of the commercial activities undertaken and the business performance for the year and held discussions with management.
- We obtained an understanding of the legal and regulatory requirements applicable to the group and the parent company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation and rules and regulations as prescribed by the Financial Conduct Authority.
- We obtained an understanding of how the group and the parent company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We discussed during the audit engagement team briefing regarding how and where fraud might arise in the financial statements and any potential indication of fraud. We remained alert to any indication of fraud or non compliance with laws and regulations throughout the audit.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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.

Martin Clapson FCA (Senior Statutory Auditor)

For and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

Date: 16 September 2022

Consolidated Statement of Comprehensive Income

for the year ended 31 May 2022

	Note	2022 £	2021 £
Revenue	4	588,576	287,415
Cost of sales		(99,321)	(25,024)
Gross profit		489,255	262,391
Other operating expenses	5	(3,002,489)	(2,322,518)
Operating loss	6	(2,513,234)	(2,060,127)
Net finance income	7	2,012	281
Loss before taxation		(2,511,222)	(2,059,846)
Tax credit	9	392,631	440,333
Loss after tax attributable to the equity shareholders of the Company		(2,118,591)	(1,619,513)
Total comprehensive expense for the year		(2,118,591)	(1,619,513)
Loss per share (pence)			
Basic and diluted	11	(0.11)	(0.16)

The notes on pages 57 – 74 form part of these financial statement

Consolidated Statement of Changes in Equity

for the year ended 31 May 2022

GROUP	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Translation Reserve	Share option Reserve	Total
	£	£	£	£	£	£	£
At 31 May 2020	1,349,876	5,221,282	299,900	(5,110,965)	(209,996)	219,159	1,769,256
Loss of the year and Total comprehensive loss for the year	-	-	-	(1,619,513)	-	-	(1,619,513)
New shares issued	1,317,454	3,952,363	-	-	-	-	5,269,817
Costs of new shares issued	-	(313,566)	-	-	-	-	(313,566)
Share options lapsed	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	162,615	162,615
Total transactions with owners	1,317,454	3,638,797	-	-	-	162,615	5,118,866
At 31 May 2021	2,667,330	8,860,079	299,900	(6,730,478)	(209,996)	381,774	5,268,609
Loss of the year and Total comprehensive loss for the year	-	-	-	(2,118,591)	-	-	(2,118,591)
New Shares issued	4,000,000	7,200,000	-	-	-	-	11,200,000
Costs of new shares issued	-	(709,008)	-	-	-	-	(709,008)
Share-based payments	-	-	-	-	-	68,264	68,264
Total transactions with owners	4,000,000	6,490,992	-	-	-	68,264	10,559,256
At 31 May 2022	6,667,330	15,351,071	299,900	(8,849,069)	(209,996)	450,038	13,709,274

Company Statement of Changes in Equity

for the year ended 31 May 2022

COMPANY	Share Capital £	Share Premium £	Retained Earnings £	Share option Reserve £	Total £
At 31 May 2020	1,349,876	5,221,282	(6,418,485)	219,159	371,832
Loss of the year and Total comprehensive loss for the year	-	-	(437,373)	-	(437,373)
New shares issued	1,317,454	3,952,363	-	-	5,269,817
Costs of new shares issued	-	(313,566)	-	-	(313,566)
Share options lapsed	-	-	-	-	-
Share-based payments	-	-		162,615	162,615
Total transactions with owners	1,317,454	3,638,797	-	162,615	5,118,866
At 31 May 2021	2,667,330	8,860,079	(6,855,858)	381,774	5,053,325
Loss of the year and Total comprehensive loss for the year	-	-	(559,408)	-	(559,408)
New shares issued	4,000,000	7,200,000	-	-	11,200,000
Costs of new shares issued	-	(709,008)	-	-	(709,008)
Share-based payments	-	-	-	68,264	68,264
Total transactions with owners	4,000,000	6,490,992	-	68,264	10,559,256
At 31 May 2022	6,667,330	15,351,071	(7,415,266)	450,038	15,053,173

The notes on pages 57 – 74 form part of these financial statements

Consolidated Balance Sheet

for the year ended 31 May 2022

	Notes	2022 £	2021 £
Assets			
Non-current assets			
Property, plant and equipment	13	8,367	13,773
Intangible assets	14	3,288,811	2,681,641
		3,297,178	2,695,414
Current assets			
Trade and other receivables	15	308,293	138,042
Corporation tax receivable		392,351	767,120
Cash and cash equivalents		10,305,577	2,220,862
		11,006,221	3,126,024
Total assets		14,303,400	5,821,438
Equity			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	18	6,667,330	2,667,330
Share premium account	18	15,351,071	8,860,079
Capital reserve	18	299,900	299,900
Translation reserve	18	(209,996)	(209,996)
Share option expense reserve	18	450,038	381,774
Retained earnings	18	(8,849,069)	(6,730,478)
Total equity		13,709,274	5,268,609
Liabilities			
Current liabilities			
Trade and other payables	16	594,126	548,836
		594,126	548,836
Non-current liabilities			
Contract liabilities	16	-	3,993
		-	3,993
Total liabilities		594,126	552,829
Total equity and liabilities		14,303,400	5,821,438

The financial statements were approved and authorised for issue by the Board of Directors on 16 September 2022 and were signed below on its behalf by:

Prof Rory Shaw
Chairman

The notes on pages 57 – 74 form part of these financial statements

Company Balance Sheet
for the year ended 31 May 2022

	Notes	2022 £	2021 £
Assets			
Non-current assets			
Investments	12	-	-
		-	-
Current assets			
Other receivables	15	49,763	99,906
Loans to subsidiary companies		4,933,648	2,998,240
Cash and cash equivalents		10,143,762	2,020,688
		15,127,173	5,118,834
Total assets		15,127,173	5,118,834
Equity			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	18	6,667,330	2,667,330
Share premium account	18	15,351,071	8,860,079
Share option expense reserve	18	450,038	381,774
Retained earnings	18	(7,415,266)	(6,855,858)
Total equity		15,053,173	5,053,325
Liabilities			
Current liabilities			
Trade and other payables	16	74,000	65,509
Total liabilities		74,000	65,509
Total equity and liabilities		15,127,173	5,118,834

The Company's loss for the year was £559,408 (2021: £437,373).

The financial statements were approved and authorised for issue by the Board of Directors on 16 September 2022 and were signed below on its behalf by:

Prof R Shaw
Chairman

The notes on pages 57 – 74 form part of these financial statements (company registration number 00598696)

Consolidated Cash Flow Statement

for the year ended 31 May 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss before tax	(2,511,222)	(2,059,846)
Adjustments for:		
Net finance income	(2,012)	(281)
Depreciation and amortisation	552,931	48,755
Share based payment expense	68,265	162,615
Decrease/(Increase) in trade receivables	(198,754)	72,614
Decrease/(Increase) in other receivables	28,503	(80,779)
Increase/(Decrease) in trade payables	(30,100)	77,915
Increase/(Decrease) in other payables	71,397	(253,759)
Corporation tax received	767,400	-
Total adjustments	1,257,630	27,080
Net cash used in operating activities	(1,253,592)	(2,032,766)
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,450)	(16,083)
Purchase of intangible assets	(1,149,246)	(1,419,472)
Net finance income received	2,012	281
Net cash used in investing activities	(1,152,684)	(1,435,274)
Cash flows from financing activities		
Net proceeds of share issue	10,490,991	4,956,252
Net cash generated from financing activities	10,490,991	4,956,252
Net increase/(decrease) in cash and cash equivalents	8,084,715	1,488,212
Cash and cash equivalents at beginning of year	2,220,862	732,650
Cash and cash equivalents at end of year	10,305,577	2,220,862

The notes on pages 57 – 74 form part of these financial statements

Company Cash Flow Statement

for the year ended 31 May 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss before tax	(559,408)	(437,373)
Adjustments for:		
Net finance income	(2,012)	(281)
Provision against intercompany receivable	19,436	59,913
Share based payment expense	48,830	102,702
(Increase)/Decrease in other receivables	50,143	(72,367)
(Decrease)/Increase in trade payables	17,047	(19,709)
(Decrease)/ Increase in other payables	(8,555)	(44,299)
Total adjustments	124,889	25,959
Net cash used in operating activities	(434,519)	(411,414)
Cash flows from investing activities		
Loans to subsidiary companies	(1,935,409)	(2,998,240)
Net finance income	2,012	281
Net cash generated from investing activities	(1,933,397)	(2,997,959)
Cash flows from financing activities		
Net proceeds of share issue	10,490,990	4,956,252
Net cash generated from financing activities	10,490,990	4,956,252
Net increase in cash and cash equivalents	8,123,074	1,546,879
Cash and cash equivalents at beginning of year	2,020,688	473,809
Cash and cash equivalents at end of year	10,143,762	2,020,688

The notes on pages 57 – 74 form part of these financial statements

Notes to the Financial Statements

1. General information

The Company is a public limited company limited by shares, domiciled in the United Kingdom and incorporated under registered number 00598696 in England and Wales. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, England, United Kingdom, EC4Y 0DT.

The Company is quoted on AIM, a market operated by the London Stock Exchange. These Financial Statements were authorised for issue by the Board of Directors on 16 September 2022.

2. Adoption of the new and revised International Financial Reporting Standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period.

The following new and revised Standards and Interpretations are relevant to the company, but the Company has not early adopted these new standards. The Directors do not anticipate that the adoption of these standards will have a material impact on the reported results of the Company:

- IFRS 1 — Amendment First-time Adoption of International Financial Reporting Standards - resulting from Annual Improvements to IFRS Standards
- IFRS 9 — Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the 10 percent test for derecognition of financial liabilities)
- IFRS 17 — Insurance Contracts
- IAS 1 — Presentation of Financial Statements - Amendment regarding the classification of liabilities as current or non-current
- IAS 1 — Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies
- IAS 8 amendment — Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- IAS 12 amended — Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations
- IAS 16 amended — Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use
- IAS 37 amended — Provisions, Contingent Liabilities and Contingent Assets - Regarding the costs to include when assessing whether a contract is onerous

3. **Significant accounting policies**

(a) Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards. The policies set out below have been consistently applied to all the years presented.
No separate income statement is presented for the parent Company as provided by Section 408, Companies Act 2006.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Feedback plc and its subsidiaries (the "Group") for the years ended 31 May 2022 and 2021 using the acquisition method.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

3. Significant accounting policies (continued)

Investments in subsidiary companies are held at cost less impairment.

(c) Going Concern

The Group incurred a net loss of £2,118,591 for the year ended 31 May 2022 however it had net assets of £13,709,274 inclusive of £10,305,577 of cash and cash equivalents at 31 May 2022. The directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included a review of financial results, internal budgets and cash flow forecasts to 30 September 2023, including downside scenarios.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least twelve months from the date of approval of the financial statements. Accordingly, the Directors believe that the Group and Company are a going concern and have therefore prepared the financial statements on a going concern basis.

(d) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be reliably measured.

The significant intangible asset cost related to external software development of products which are integral to the trade of the Group's medical imaging products.

Amortisation and impairment charges are recognised in other operating expenses in the income and expenditure account. Internal development costs are not capitalised but written off during the year in which the expenditure is incurred.

The carrying value of intangible assets which are not yet being amortised because they are not yet available for use are reviewed for impairment annually. The carrying value of intangible assets which are currently being amortised are reviewed for impairment when there is an indication that they may be impaired. Impairment losses are recognised in other operating expenses in the income and expenditure account.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Only external software development expenditure is capitalised. Internal research expenditure is written off in the year in which it is incurred. Other development expenditure is recognised as an expense as incurred. Intangible assets that have a finite useful life and that have been capitalised are amortised on a straight line basis as follows:

Intangible asset	**Useful economic life**
Intellectual Property	5 – 10 years
Customer relationships	4 years
Software development	5 years

Intellectual Property primarily relates to patent and trademark application costs. Software development costs capitalised in the year relate to products and product improvements which are yet to be ready for use. They are not yet amortised.

(e) Valuation of Investments

Investments held as non-current assets are stated at cost less provision for impairment.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. When used, bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3. Significant accounting policies (continued)

(g) Goodwill

Business combinations on or after 1 April 2006 are accounted for under IFRS 3 using the acquisition method. Any excess of the cost of business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised.

After initial recognition, goodwill is not amortised but is stated at cost less accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstance indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the statement of comprehensive income.

(h) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Depreciation on other assets is provided on cost or valuation less estimated residual value in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Computer and office equipment	10 – 50% p.a.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

(i) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

(j) Revenue recognition

Sales transactions include software installation, software licenses, scientific and software support and consultancy. Revenue is measured at the fair value of the contractually agreed consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The Group recognises revenue on the basis of following IFRS15 whereby revenue is recognised on the promise of goods and services to the customer at the transaction price contractually agreed and once the performance obligations have been met. Revenue is recognised depending on the related software or service outline below. The sales invoice is raised when the customer's purchase order is received, and the debt is typically payable within 30-60 days of the invoice date. In practice the debt is paid when the software installation has been completed. There are no obligations for returns, refunds or warranties.

Revenue relating to software consultancy and similar services is recognised as the services are performed and completed. The invoice is recognised on a linear basis over the duration of the contract.

Revenue relating to the sale of software licences such as Bleepa or associated support services is recognised over the contractual period to which the licence relates or the duration of the support contract.

Revenue recognised from the sale of TexRAD software and related scientific support services are recognised over the estimated duration of the Group's involvement in a customer's project which is considered to represent its performance obligation. This is that the Group will provide the support required as agreed when the sale was made.

The difference between the amount of revenue from contracts with customers recognised and the amount invoiced on a particular contract is included in the statement of financial position as contract liabilities. Normally, the full contract value is invoiced when the customer's purchase order is received.

3. Significant accounting policies (continued)

Cash payments received as a result of this advance billing are not representative of revenue earned on the contract as revenues are recognised over the duration of the contract (typically twelve months). Contract liabilities which are expected to be recognised within one year are included within current liabilities. Contract liabilities which are expected to be recognised after one year are included within non-current liabilities.

(k) Pension Costs

The Group operated a defined contribution pension scheme during the year. The pension charge represents the amounts payable by the Group to the scheme in respect of that year.

(l) Taxation

The tax credit represents the sum of the current tax credit and deferred tax credit.

The tax currently payable is based on taxable profit for the period. 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 by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 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 the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

(m) Financial instruments

Financial assets

Financial assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The group’s financial assets comprise of trade and other receivables and cash and cash equivalents.

Trade receivables

Trade receivables are measured at amortised cost and are carried at the original invoice amount less allowances for expected credit losses. Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purposes of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the aging of the debtor, the geographic location and the company sector (public vs private).

When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.

3. Significant accounting policies (continued)

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits with maturities of three months or less.

Financial liabilities

The Group's financial liabilities consist of trade payables and other financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is held-for trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss.

(n) Employee share options and warrants

The Group has applied the requirements of IFRS 2 Share-based Payments.

The Group has issued equity-settled share-based payment transactions to certain employees and previously issued warrants to the vendors of the acquired subsidiary, TexRAD Limited. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black Scholes option pricing model for share options without performance obligations and the Monte Carlo option pricing model for share options with performance obligations. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

(o) Key areas of judgement

The preparation of financial statements requires the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses. These estimates and judgements are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The key areas of judgement are:

- Intangible assets – Patent and trademark applications are included at cost less amortisation and impairment. Other intangible assets including development costs are recognised only when it is probable that a project will be a success. There is a risk therefore that a project previously assessed as likely to be successful fails to reach the desired level of commercial or technological feasibility. Where there is no probable income to be generated from these assets an estimation of the carrying value and the impairment of the intangible assets and development costs, including goodwill, has been made.

- Fair value measurement – share options and warrants issued included in the Group's and Company's financial statements require measurement at fair value. The calculation of fair values requires the use of estimates and judgements, details of the valuation can be found in Note 18 of this report.

- Revenue recognition-revenue on the sale of TexRAD software and provision of related scientific support services is recognised over the expected duration of the group's involvement in customer's projects as the group's staff contribute significant support, analysis and input to those customers using TexRAD software for research purposes. Judgement based on past experience is used to determine the expected duration of involvement over which income should be deferred and recognised however the duration of the group's involvement may vary from expectations.

4. Segmental reporting

The Directors have determined that the operating segments based on the management reports which are used to make strategic decisions are medical imaging and head office. The trading activities of the Company solely relate to Medical Imaging and the Head Office covers the costs of running the parent company, Feedback PLC.

Year ended 31 May 2022	**Medical Imaging**	**Head Office**	**Total**
	£	**£**	**£**
Revenue			
External	588,576	-	588,576
Expenditure			
Total (excluding depreciation and amortisation)	(1,629,998)	(916,869)	(2,546,867)
Depreciation and amortisation	(552,931)	-	(552,931)
Loss before tax	(1,594,353)	(916,869)	(2,511,222)
Tax credit	392,631	-	392,631
Balance sheet			
Total assets	4,109,874	10,193,526	14,303,400
Total liabilities	(520,112)	(74,014)	(594,126)
	3,589,762	10,119,512	13,709,274
Capital expenditure (all located in the UK)	(1,154,697)	-	(1,154,697)

Year ended 31 May 2021	**Medical Imaging**	**Head Office**	**Total**
	£	**£**	**£**
Revenue			
External	287,415	-	287,415
Expenditure			
Total (excluding depreciation and amortisation)	(1,546,183)	(752,323)	(2,298,506)
Depreciation and amortisation	(48,755)	-	(48,755)
Loss before tax	(1,307,523)	(752,323)	(2,059,846)
Tax credit	440,333	-	440,333
Balance sheet			
Total assets	3,700,845	2,120,593	5,821,438
Total liabilities	(487,308)	(65,521)	(552,829)
	3,213,537	2,055,072	5,268,609
Capital expenditure (all located in the UK)	(1,435,554)	-	(1,435,554)

4. Segmental Reporting (continued)

Reported segments' assets are reconciled to total assets as follows:

	External revenue by location of customer		Non-current assets by location of assets		Total liabilities location of assets	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**	**£**	**£**
United Kingdom	432,129	217,394	3,297,179	2,695,414	594,126	552,829
Europe	4,485	5,364	-	-	-	-
Rest of the world	151,962	64,657	-	-	-	-
Total	588,576	287,415	3,297,179	2,695,414	594,126	552,829

£115,000 of revenue recognised in the current year was recorded in contract liabilities in the prior year.

Major customers

During the year ended 31 May 2022, the Group generated £232,000 (2021: £153,000) of revenue from one customer in the United Kingdom, which is equal to 39% (2021: 53%) of total Group revenues in the year. Major customer from the rest of the world is located in USA and accounts for £142,164 of group revenue generated.

5. Other operating expenses

	2022	**2021**
	£	**£**
Administrative costs:		
Employment and other costs	2,449,558	2,273,763
Amortisation and depreciation costs	552,931	48,755
	3,002,489	2,322,518

6. Operating loss

	2022	**2021**
	£	**£**
This is stated after charging		
Depreciation and amortisation		
Owned assets	10,856	14,140
Amortisation of intangible assets	542,076	34,615
Provision for doubtful debts	1,529	266
Foreign exchange differences	(648)	24,573
Auditors' remuneration		
Audit of parent company and group financial statements	13,800	10,000
Audit of subsidiaries	9,200	6,800

7. Net finance income

	2022	**2021**
	£	**£**
Interest received	2,012	281
	2,012	281

8. Directors and employees

	2022 Average	2021 Average	2022 Year-end FTE	2021 Year-end FTE
Number of employees				
Selling and distribution	2	1	2	1
Administration	12	9	11	11
Research and development	5	6	6	6
	19	16	19	18

	2022 £	2021 £
Staff costs		
Wages and salaries	1,267,740	1,033,975
Social security costs	159,225	121,736
Payments to defined contribution pension scheme	144,308	108,796
Share based payment expense	68,265	162,615
	1,639,538	1,427,122

Details of Directors' remuneration for the year ended 31 May 2022 and the prior year ended 31 May 2021 are set out in the Remuneration Committee report on pages 42 – 44.

9. Taxation on loss

		2022 £	2021 £
(a)	The tax credit for the year:		
	UK Corporation tax	(392,631)	(439,589)
	Current tax credit	(392,631)	(439,589)
	Adjustments in respect of prior periods	-	(744)
		(392,631)	(440,333)
(b)	Tax reconciliation		
	Loss before tax	(2,511,222)	(2,059,846)
	Loss at the standard rate of corporation tax in the UK of 19% (2018 – 19%)	(480,825)	(391,371)
	Effects of:		
	Fixed asset differences	-	(5,872)
	Expenses non-deductible for tax purposes	(506,626)	37,558
	Other permanent differences	-	118
	Other income	(376,897)	-
	Additional deduction for R&D expenditure	(1,530,494)	(325,572)
	Surrender of tax losses for R & D tax credit refund	(392,631)	136,424
	Adjustments to tax charge in respect of previous periods	-	(744)

9. Taxation on loss (continued)

Deferred tax not recognised	2,903,525	332,069
Remeasurement of deferred tax for change in tax rates	-	(222,943)
Net capital allowances	(8,683)	-
Tax charge for the year	(392,631)	(440,333)

In view of the tax losses carried forward there is a deferred tax amount of approximately £1,609,875 (2021: £928,928) which has not been recognised in the group Financial Statements. This contingent asset will be realised when the Group makes sufficient taxable profits in the relevant company.

In view of the tax losses carried forward there is a deferred tax amount of approximately £789,816 (2021: £838,906) which has not been recognised in the company Financial Statements. This contingent asset will be realised when the Company makes sufficient taxable profits.

10. Results of Feedback Plc

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent company is not presented as part of these financial statements. The Company's loss for the financial year is £559,408 (2021 loss: £437,373)

11. Loss per share

Basic loss per share is calculated by reference to the loss on ordinary activities after taxation of £2,118,591 (2021: £1,619,513) and on the weighted average of 1,869,123,462 (2021: 1,023,499,123) shares in issue.

	2022	2021
	£	£
Net loss attributable to ordinary equity holders	(2,118,591)	(1,619,513)

	2022	2021
Weighted average number of ordinary shares for basic earnings per share	1,869,123,462	1,023,499,123
Effect of dilution:		
Share Options	-	-
Warrants	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	1,869,123,462	1,023,499,123
Loss per share (pence)		
Basic	(0.11)	(0.16)
Diluted	(0.11)	(0.16)

There is no dilutive effect of the share options and warrants as the dilution would be negative.

12. Investments

Company	Share in Group undertakings £	Shares in joint venture £	Total £
Cost			
At 31 May 2020	2,380,455	1,000	2,381,455
Addition (see note below)	59,913	-	59,913
At 31 May 2021	2,440,368	1,000	2,441,368
Addition (see note below)	19,436	-	19,436
Disposal of shares in joint venture	-	(1,000)	(1,000)
As at 31 May 2022	2,459,804	-	2,459,804
Provision for impairment			
At 31 May 2020	2,380,455	1,000	2,381,455
Additional impairment included in operating expenses (see note below)	59,913		59,913
At 31 May 2021	2,440,368	1,000	2,441,368
Additional impairment included in operating expenses (see note below)	19,436	-	19,436
Disposal of shares in joint venture	-	(1,000)	(1,000)
At 31 May 2022	2,459,804	-	2,459,804
Net Book Value	**-**	**-**	**-**
At 31 May 2022	**-**	**-**	**-**
At 31 May 2021	**-**	**-**	**-**

All of the above investments are unlisted. The disposal of shares in joint venture is due to the dissolution of Prostate Checker Ltd, which had been fully provided for previously.

The directors have made full provision against the cost of investment in the subsidiaries due to the net liabilities shown in the subsidiary financial statements. The additions in the current and prior year are related to options in Feedback Medical Limited which would be satisfied with Feedback Plc shares if/when they are exercised.

Particulars of principal subsidiary companies during the year, all the shares of which being beneficially held by Feedback Plc, were as follows:

Company	Activity	Country of incorporation and operation	Proportion of Shares held
Brickshield Limited	Dormant	England	100% Ordinary £1
Bleepa Limited	Dormant	England	100% Ordinary £2

12. Investments (continued)

Feedback Medical Limited	Medical Imaging	England	100% A Ordinary £1 100% B Ordinary 1p
TexRAD Limited	Medical Imaging	England	100% Ordinary 1p

TexRAD Limited is owned 100% by virtue of a direct holding by Feedback plc of 91% and an indirect holding via Feedback Medical Ltd of 9%.

All the subsidiary companies have been included in these consolidated financial statements. Each subsidiary's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, England, United Kingdom, EC4Y 0DT.

In accordance with section 394(A) of the Companies Act 2006, a company is exempt from preparing individual accounts for a financial year. This section 394(A) of the Companies Act 2006 applies to Brickshield Limited (company registration number 064514313) and Bleepa Limited (company registration number 12118570).

13. Property, plant and equipment

Group	Computer Equipment £	Total £
Cost		
At 31 May 2020	30,422	30,422
Additions	16,083	16,083
At 31 May 2021	46,505	46,505
Additions	5,450	5,450
As 31 May 2022	51,955	51,955
Depreciation		
At 31 May 2020	18,592	18,592
Charge for the year	14,140	14,140
At 31 May 2021	32,732	32,732
Charge for the year	10,856	10,856
At 31 May 2022	43,588	43,588
Net Book Value		
At 31 May 2022	8,367	8,367
At 31 May 2021	13,773	13,773

14. Intangible assets

	Software development £	Customer relationships £	Intellectual Property £	Goodwill £	Total £
Cost					
At 31 May 2020	1,881,105	100,000	187,335	271,415	2,439,855
Additions	1,419,472	-	-	-	1,419,472
Re-class	(30,904)	-	30,904	-	-
At 31 May 2021	3,269,673	100,000	218,239	271,415	3,859,327
Additions	1,135,400	-	13,846	-	1,149,246
Disposal of fully amortised assets	-	-	(34,233)	-	(34,233)
At 31 May 2022	4,405,073	100,000	197,852	271,415	4,974,340
Amortisation					
At 31 May 2020	645,516	100,000	126,140	271,415	1,143,071
Amortisation charge for year	-	-	34,615	-	34,615
At 31 May 2021	645,516	100,000	160,755	271,415	1,177,686
Amortisation charge for year	525,213	-	16,863	-	542,076
Disposal of fully amortised assets	-	-	(34,233)	-	(34,233)
At 31 May 2022	1,170,729	100,000	143,385	271,415	1,685,529
Net Book Value					
At 31 May 2022	3,234,344	-	54,467	-	3,288,811
At 31 May 2021	2,624,157	-	57,484	-	2,681,641

15. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year				
Trade receivables	225,700	26,946	-	-
Other receivables	12,866	65,263	12,778	65,209
Prepayments	69,727	45,833	36,985	34,697
	308,293	138,042	49,763	99,906

16. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year				
Trade payables	167,240	197,340	17,681	491
Other payables	15,262	39,575	-	-
Other taxes and social security	65,815	22,645	15,797	13,701
Accruals	142,135	174,151	40,522	51,317
Contract liabilities	203,674	115,125	-	-
	594,126	548,836	74,000	65,509

16. Trade and other payables (continued)				
Amounts falling due after one year				
Contract liabilities	-	3,993	-	-

Neither the Group or the Company have any borrowings and so there are no changes in liabilities arising from financing activities.

17. Financial instruments

The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.
The Group's financial instruments comprise cash and cash equivalents and various items such as trade payables and receivables that arise directly from its operations. The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign currency risk
- Liquidity risk
- Cash flow interest rate risk
- Reliance on one major customer

Fair value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The share options and warrants issued by the group during the current year and prior years were valued under level three above as noted in note 18 below.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks and consequently the objectives, policies and processes are unchanged from the previous period.

The Board has overall responsibility for the determination of the Group's risk management policies. The objective of the Board is to set policies that seek to reduce the risk as far as possible without unduly affecting the Group's competitiveness and effectiveness. Further details of these policies are set out below:

Credit risk

The Group is exposed to credit risk primarily on its trade receivables, which are spread over a range of countries, a factor that helps to dilute the concentration of the risk. Group policy, implemented locally, is to assess the credit risk of each new customer before entering into binding contracts. Each customer account is then reviewed on an ongoing basis (at least once a year) based on available information and payment history.

17. Financial instruments (continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. The provision for credit losses on trade receivables is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables.

The Group holds no collateral. It has a minimal risk policy with funds held following fund raises so it holds the cash with mainstream UK banks. The Group's customers were primarily the NHS in 2022, for which the risk of default has been assessed to be immaterial.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Financial assets held at amortised cost

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Trade and other receivables	308,293	138,042	49,763	99,906
Loans to subsidiary companies	-	-	4,933,648	2,998,240
Cash and cash equivalents	10,305,577	2,220,862	10,143,762	2,020,688
	10,613,870	2,358,904	15,127,173	5,118,834

Analysis of trade receivables

	Total	Current	30 days past due	60 days past due	90 days past due
	£	**£**	**£**	**£**	**£**
Group					
2022	225,700	102,377	-	123,323	-
2021	26,946	-	26,946	-	-
Company					
2022	-	-	-	-	-
2021	-	-	-	-	-

Foreign currency risk

Foreign exchange transaction risk arises when the Group enters into transactions denominated in a currency other than the functional currency.

Foreign currency amounts generated from trading are converted back to sterling and required foreign currency amounts for suppliers will be converted from sterling and the use of forward currency contracts is considered. However, the Group does not currently use any forward contracts.

The Group's main foreign currency risk is the short-term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries' functional currency. The risk arises on the difference in the exchange rate between the time invoices were raised/received and the time invoices were settled/paid.

An additional allowance of £1,500 has been recognised during the year (2021: nil), due to exchange rate movements.

17. Financial instruments (continued)

The following table shows the net assets, stated in pounds sterling, exposed to exchange rate risk that the Group and Company had at 31 May 2022.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Trade Receivables	102,377	26,946	-	-

As at 31 May 2022 £102,377 of Feedback Medical's net trade receivables are denominated in foreign currency. A 5% increase/fall in exchange rates would lead to a profit/loss of £4,875. The foreign currencies are US dollars. The Directors do not generally consider it necessary to enter into derivative financial instruments to manage the exchange risk arising from its operations, but from time to time where the Directors consider foreign currencies are weak and it is known that there would be a requirement to purchase those currencies, forward arrangements may be entered into. There were no outstanding forward currency arrangements as at 31 May 2022 or at 31 May 2021.

Liquidity risk

Cash flow forecasting is performed for both the Group and in the operating entities of the Group. Rolling forecasts of the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs.

Financial liabilities measured at amortised cost

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**		
Trade and other payables	182,502	236,915	17,681	491

The following are maturities of financial liabilities, including estimated contracted interest payments.

	Carrying amount £	**Contractual cash flow £**	**6 months or less £**
Group			
2022	182,502	182,502	182,502
2021	236,915	236,915	236,915
Company			
2022	17,681	17,681	17,681
2021	491	491	491

Cash flow interest rate risk

The Group presently has no substantial interest rate risk exposure.

Capital under management

The Group considers its capital to comprise its ordinary share capital, share premium, capital reserve, and accumulated retained earnings.

17. Financial instruments (continued)

The Group's objectives when managing the capital are:

- To safeguard the Group's ability to remain a going concern.
- To maximise returns for shareholders in order to meet capital requirements and appropriately adjust the capital structure, the Group may issue new shares, dispose of assets to pay down debt, return capital to shareholders and vary dividend payments.

There have been no changes to the group's capital management objectives in the year, and there have been no changes to the group's exposure to financial instrument risk in the year.

18. Share capital and reserves

Allotted, called up and fully paid ordinary shares of 0.25 pence each:	Number	Number
As at start of period (01 June)	1,066,931,686	539,949,917
Issued during year	1,599,999,991	526,981,769
As at end of period (31 May)	2,666,931,677	1,066,931,686

Share Options

Share options are granted to directors and employees. Options are conditional on the employee completing a specific length of service (the vesting period). The options are exercisable from the end of the vesting period and lapse after ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the year, the Company had the following share options in issue:

Grant Date	No. options as at 31 May 2021	Granted in year	Lapsed in year	No. options as at 31 May 2022	Exercise price (pence)	Exercisable period
21 May 14(1)	2,400,000	-	-	2,400,000	1.25	21 May 15 - 19 May 24
21 May 14(1)	4,000,000	-	-	4,000,000	3.00	21 May 15 - 19 May 24
21 May 14(1)	4,000,000	-	-	4,000,000	5.00	21 May 15 - 19 May 24
26 June 18(2)	2,500,000	-	2,500,000	-	1.86	26 June 18 – 26 June 28
26 June 18(3)	5,600,000	-	-	5,600,000	1.86	01 March 19 – 26 June 28
09 April 19(2)	9,332,081	-	-	9,332,081	1.09	09 April 19 – 09 April 29
23 April 20(4)	17,500,000	-	1,000,000	16,500,000	1.20	01 June 20 – 24 April 30
06 August 20(5)	13,498,748	-	-	13,498,748	1.20	06 August 20 – 06 August 30
23 February 22(6)	-	145,237,200	-	145,237,200	0.70	31 May 22 – 31 May 30
23 February 22(7)	-	16,772,640	-	16,772,640	0.70	23 February 23 – 23 February 32
	58,830,829	**162,009,840**	**3,500,000**	**217,340,669**		

1. *Options vest in full on the anniversary of the date of grant*
2. *Options vest immediately upon date of grant.*
3. *Options vest in full on 01 March 19.*
4. *Options vest over three years as to one-third on 01 June 20, one-third on 01 June 21, and one-third on 01 June 22*
5. *Options vest over three years as to one-third on 06 August 20, one-third on 06 August 21, and one-third on 06 August 22*
6. *Options vest based on share price performance conditions as to one- third when the 60 day weighted average share price reaches 1.2p at any time during the period from 31 May 2022 to 31 May 2025, one- third when the 60 day weighted average share price reaches 1.86p at any time during the period from 31 May 2023 to 31 May 2025, and one- third when the 60 day weighted average share price reaches 3.00p at any time during the period from 31 May 2024 to 31 May 2025*
7. *Options vest over three years as to one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant*

18. Share capital and reserves (continued)

For the options granted on 6 August 2020 with no performance conditions, the following assumptions were made for valuation purposes using the Black-Scholes option pricing model:

- Risk-free rate: 0.21% based on the ten-year UK gilt
- Expected volatility: 48.22% based on annualised daily historical volatility
- Option period: Ten years
- Estimated fair value of each option at measurement date: £0.01

For the options granted on 23 February 2022 with no performance conditions, the following assumptions were made for valuation purposes using the Black-Scholes option pricing model:

- Risk-free rate: 1.31% based on the five-year UK gilt
- Expected volatility: 50% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual, Vol 44 No 1 January – March 2022
- Expected life: Four years
- Estimated fair value of each option at measurement date: £0.0027

For the options granted on 23 February 2022 with share price performance conditions, the following assumptions were made for valuation purposes using the Monte Carlo option Pricing Model:

- Risk-free rate: 1.31% based on the five-year UK gilt
- Expected volatility: 50% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual, Vol 44 No 1 January – March 2022
- Expected life: Five years
- Estimated fair value of each option at measurement date: £0.0014

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	Number		**Weighted average exercise price**	
	2022	**2021**	**2022**	**2021**
			Pence	**Pence**
Outstanding at 01 June	58,830,829	46,832,081	1.66	1.77
Granted in year	162,009,840	13,498,748	0.70	1.20
Lapsed in year	3,500,000	1,500,000	1.67	1.20
Outstanding at 31 May	217,340,669	58,830,829	0.94	1.66

Warrants

Warrants were issued to the vendors of TexRAD Limited at the time of acquisition. The warrants are exercisable from the end of the vesting period and lapse ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the warrants in cash.

Number of warrants At 31 May 2021	**Granted**	**Exercised**	**At 31 May 2022**	**Exercise price (pence)**	**Exercisable period**
4,200,000	-	-	4,200,000	1.25	19/05/16 to 19/05/24
18,200,000	-	-	18,200,000	3.00	19/05/17 to 19/05/24
22,400,000	-	-	22,400,000		

18. Share capital and reserves (continued)

Reserves

The nature and purpose of each reserve within equity is as follows:

Share premium	• Amount subscribed for share capital in excess of nominal value
Capital reserve	• Reserve on consolidation of subsidiaries
Translation reserve	• Gains and losses on the translation of overseas operations into GBP
Retained earnings	• All other net gains and losses and transactions with owners not recognised elsewhere
Share Option Reserve	• Fair value of share options issued

19. Pensions

The Company operated a defined contribution scheme during the year and the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable and amounted to £144,308 (2021: £108,796). A balance of £13,084 (2021: £9,660) was payable at the year end.

20. Related party transactions

Key management personnel
Refer to note 8 for detail on directors' remuneration.

Management fee from Company to subsidiaries
Feedback Plc invoiced Feedback Medical Limited £340,694 for the management fee related to 2022 (2021: £351,517). Feedback Plc invoiced Texrad Limited £34,192 for the management fee related to 2022 (2021: £43,925).

The Directors interests in shares of the Company are contained in the Directors' Report

21. Post balance sheet events

On 05 September 2022, post period, the Group was awarded a £0.45m contract with Sussex ICS / QVH to facilitate an extension of the current CDC pilot in Sussex to further GP practices and to enable the adoption of further clinical pathways. The contract covers the period from 31 March 2022 when the original pilot MOU formally ended. The contract will run until 31st March 2023.

22. Ultimate controlling party

There is no ultimate controlling party.

Company Information

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Prof R Shaw
Dr T Oakley
L Melvin (resigned 29 November 2021)
A Denning
Prof T N Irish (resigned 01 June 2022)
P Prince
S Sturge (resigned 30 June 2021)
A Patel (appointed 29 November 2021)
A Eschauzier (appointed 01 June 2022)

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