MedAccess

2022

Annual report & financial statements

MedAccess Guarantee Ltd

Contents

For the year ended
31 December 2022

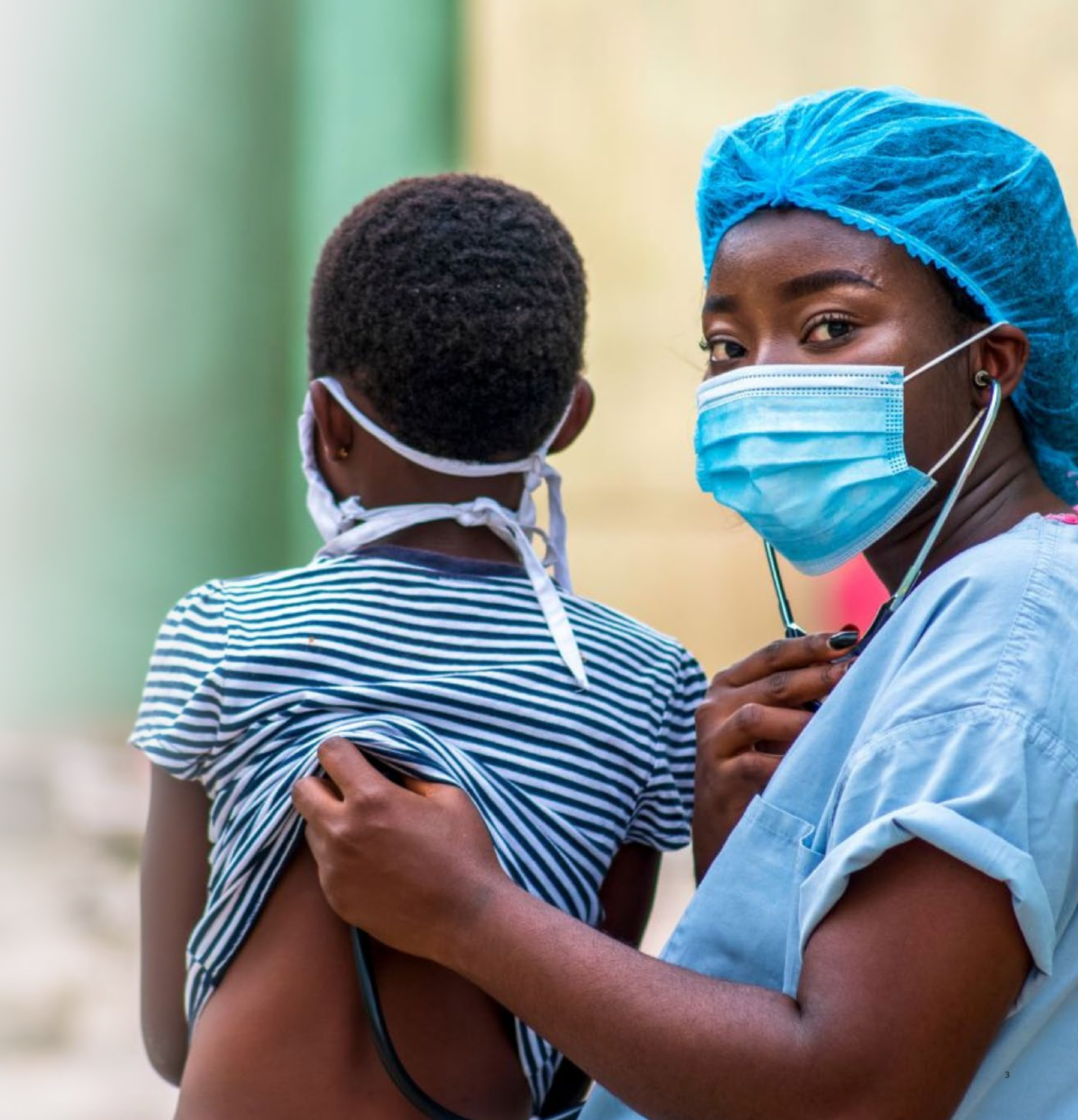
Company number
11080032

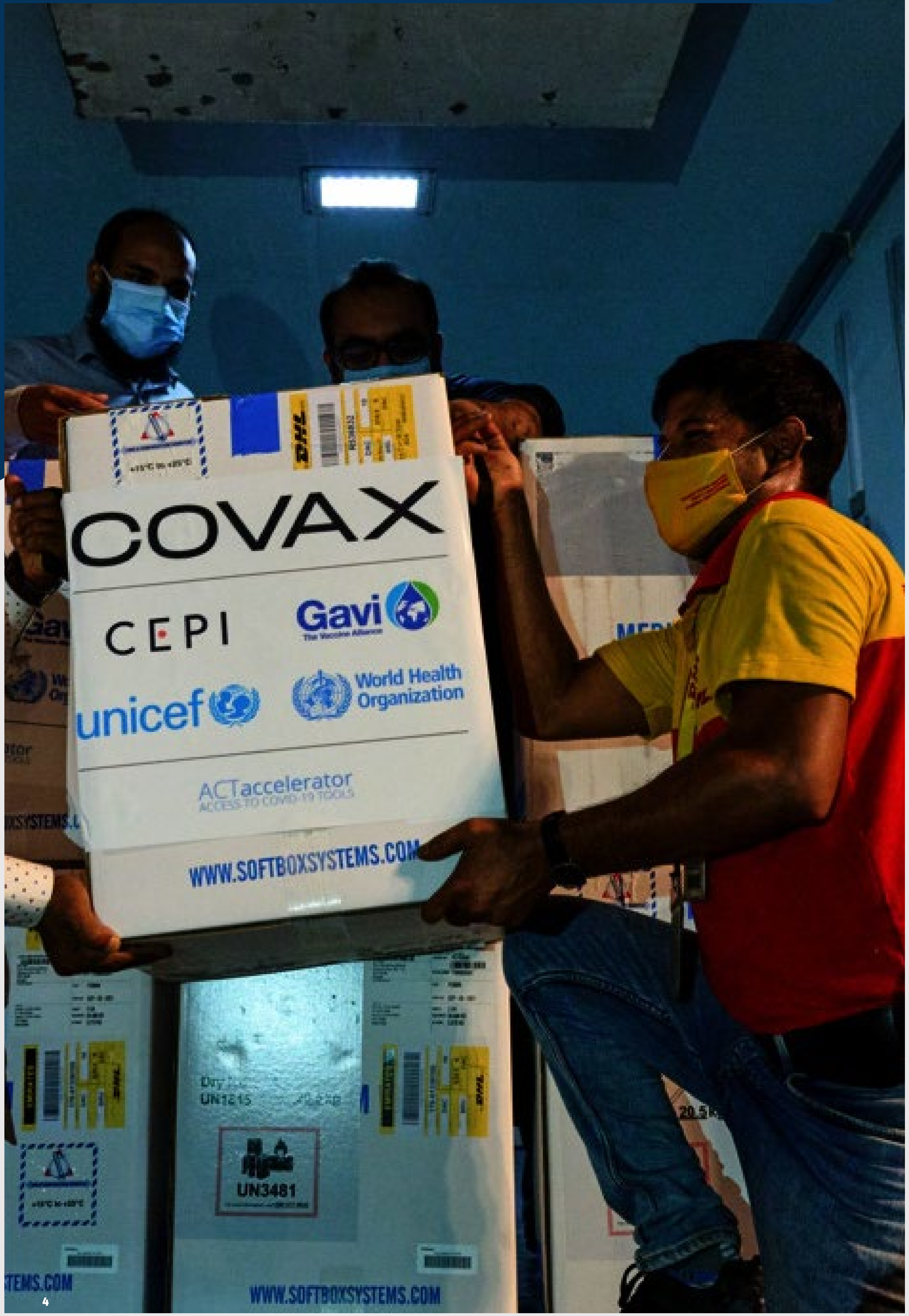
Company secretary
Simon Andrew Sweet

Registered office
Thomas House
84 Eccleston Square
London
SW1V 1PX

Independent auditor
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
GY1 3HW

Directors
Michael Anderson
Holger Walter Rothenbusch
Diana Noble
Egbe Osifo-Dawodu
Wilhelmus Verhoofstad
Daniel Camus
Vera Helen Rees





MedAccess Guarantee Ltd

Directors' report

The Directors are pleased to present their annual report together with the audited financial statements of MedAccess Guarantee Ltd (Company Number: 11080032) for the year ended 31 December 2022.

Directors

The Directors who served during the year, and to the date of this report, are:

Director	Appointed
Michael Anderson	23 November 2017
Holger Walter Rothenbusch	29 November 2017
Diana Noble	30 April 2018
Egbe Osifo-Dawodu	11 September 2018
Wilhelmus Verhoofstad	11 September 2018
Daniel Camus	1 April 2020
Vera Helen Rees	1 September 2022

Nigel Keen resigned 1 October 2022

Principal activity

The principal activity of MedAccess Guarantee Ltd (MedAccess) is that of an innovative social finance company committed to expanding and accelerating access to life-saving medicines, vaccines and diagnostics primarily in Africa and South Asia. MedAccess was incorporated on 23 November 2017.

Business and performance review

MedAccess is a wholly owned subsidiary of British International Investment plc (formerly CDC Group plc). British International Investment plc made a $200 million commitment to MedAccess, of which the full amount was contributed as at 31 December 2019. The net income generated by MedAccess is from short-term investments and volume guarantee contracts. MedAccess recorded a net expense of $7,586,824 for the year ended 31 December 2022 (2021: $2,156,068 net expense). The net asset value of MedAccess was $196,666,831 at 31 December 2022 (2021: $204,253,655).

Financial statements

MedAccess' financial assets (as defined in IFRS 7) comprise cash, short-term investments and trade and other receivables, refer to notes 7 to 9 for detail. MedAccess' financial liabilities comprise trade and other payables and amounts due to its parent company. Details are provided in note 11 of the financial statements. MedAccess has taken advantage of section 414B of the Companies Act 2006 not to produce a strategic report on the grounds that it is a small company.

Proposed dividend

The Directors do not recommend payment of a dividend for the year (2021: $ nil).

Going concern

The Directors have a reasonable expectation that MedAccess has adequate financial resources to continue in operational existence for the next 12 months. The Directors have given consideration to the share capital of $200.0 million, business plan assumptions, operational risks, guarantee exposure, and operational expenditure commitments. The Directors have concluded that MedAccess has sufficient liquidity to meet business obligations and commitments as they fall due. MedAccess holds $193.4 million in short-term liquid investments and $4.4 million in cash.

The Directors have also assessed the implications of COVID-19, the conflict between Russia and the Ukraine and the downturn in the global bond market, concluding that there are no material impacts on the business operations of MedAccess. Accordingly, the Directors continue to adopt the going concern basis in preparing the report and financial statements.

Subsequent events

There have been no material events since the reporting period that would require adjustment to these financial statements.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Deloitte LLP, was reappointed in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. This report was approved by the Board of Directors and signed on its behalf.

VHRees

Vera Helen Rees
Chairperson

Date: 19 May 2023

Directors' responsibilities statement

For the year ended 31 December 2022

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 MedAccess and of the loss of MedAccess for the financial year. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of MedAccess' ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain MedAccess' transactions and disclose with reasonable accuracy at any time the financial position of MedAccess and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of MedAccess and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of MedAccess Guarantee Ltd

Opinion

In our opinion the financial statements of MedAccess Guarantee Ltd (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB");
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes on pages 16 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom-adopted IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, 2006 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified there is a risk that the guarantees may be materially misstated due to over/under estimation of the fair value including an inherent risk of fraud associated with significant judgements, and our specific procedures performed to address it are described below:

- We performed walkthrough procedures to assess the design and implementation of controls and processes in relation to the valuation and accounting of guarantee contracts.
- We assessed management's methodology for valuing these contracts as well as challenging the key inputs and judgements used to determine their appropriateness and determined if the fair values were reasonable.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

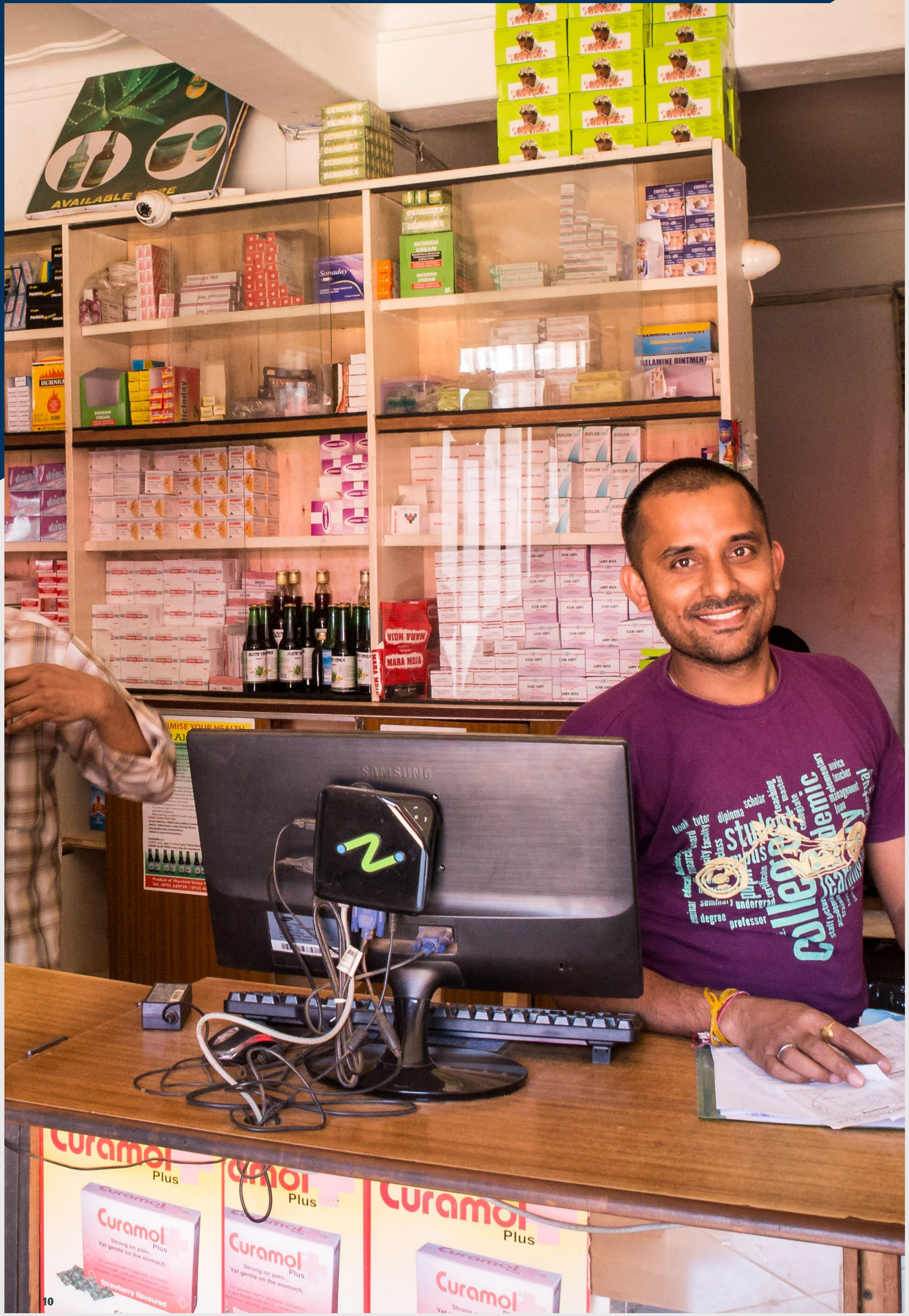
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report;
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.

David Becker
(Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
Guernsey

Date: 19 May 2023



MedAccess Guarantee Ltd

Statement of financial position

Registered number: 11080032

as at 31 December 2022

	Note	2022 $	2021 $
Non-current assets			
Tangible fixed assets	4	28,903	3,285
Deferred tax asset	5	3,385,257	854,733
Volume guarantee contracts	6	130,764	280,760
		3,544,924	**1,138,778**
Current assets			
Short-term investments	7	193,388,321	198,673,637
Trade and other receivables (including prepayments)	8	395,162	4,274,150
Cash and cash equivalents	9	4,420,476	5,019,892
		198,203,959	**207,967,679**
Total assets		**201,748,883**	**209,106,457**
Equity and liabilities			
Issued capital	10	200,000,000	200,000,000
Retained earnings		(3,333,169)	4,253,655
		196,666,831	**204,253,655**
Non-current liabilities			
Other payables	11	1,057,447	977,164
		1,057,447	**977,164**
Current liabilities			
Trade and other payables	11	3,145,550	2,996,583
Amounts owed to group companies	11	879,055	879,055
		4,024,605	**3,875,638**
Total liabilities		**5,082,052**	**4,852,802**
Total equity and liabilities		**201,748,883**	**209,106,457**

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

Vera Helen Rees
Chairperson

Date: 19 May 2023

Michael Anderson
Chief Executive Officer

Date: 19 May 2023

The notes on pages 16 to 35 form part of these financial statements.

Statement of comprehensive income

for the year ended 31 December 2022

	Note	2022 $	2021 $
Gains/(losses) on short-term investments	7	(5,285,316)	522,069
Fair value gains on volume guarantee contracts	6	748,163	1,347,180
Administrative and other expenses	12	(8,277,097)	(7,016,265)
Operating loss		**(12,814,250)**	**(5,147,016)**
Finance income		-	1,967
Other operating income	13	2,732,330	2,333,435
Net foreign exchange loss		(35,428)	(98,027)
Loss before tax		**(10,117,348)**	**(2,909,641)**
Taxation	14	2,530,524	753,573
Total comprehensive expense for the year		**(7,586,824)**	**(2,156,068)**

All the above items are derived from continuing operations.

MedAccess has no items of other comprehensive income for the current year or the previous year.

The notes on pages 16 to 35 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2022

	2022 $	2021 $
Cash flows from operating activities		
Loss from operations before tax	(10,117,348)	(2,909,641)
Adjustments for:		
Depreciation	10,294	192,674
Decrease/(increase) in trade and other receivables	3,878,989	(2,892,954)
Increase in trade and other payables	229,249	2,407,400
Movements in amounts due to parent company	-	(166,780)
Fair value losses/(gains) on short-term investments	5,285,316	(522,069)
Corporation tax paid	-	(776,566)
Fair value gains from volume guarantee portfolio	149,996	837,277
Net foreign exchange (gain)/loss	(9,168)	98,027
Net cash used in operating activities	**(572,672)**	**(3,732,632)**
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,912)	(4,078)
Sale of short-term investments	-	776,566
Net cash (used in)/generated from investing activities	**(35,912)**	**772,488**
Cash flows from financing activities		
Lease payment	-	(203,222)
Net cash used in financing activities	**-**	**(203,222)**
Net (decrease) in cash and cash equivalents	**(608,584)**	**(3,163,366)**
Cash and cash equivalents at 1 January	5,019,892	8,231,819
Effect of exchange rate fluctuations on cash held	9,168	(48,561)
Cash and cash equivalents at the end of year	**4,420,476**	**5,019,892**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,420,476	5,019,892
	4,420,476	**5,019,892**

The notes on pages 16 to 35 form part of these financial statements.

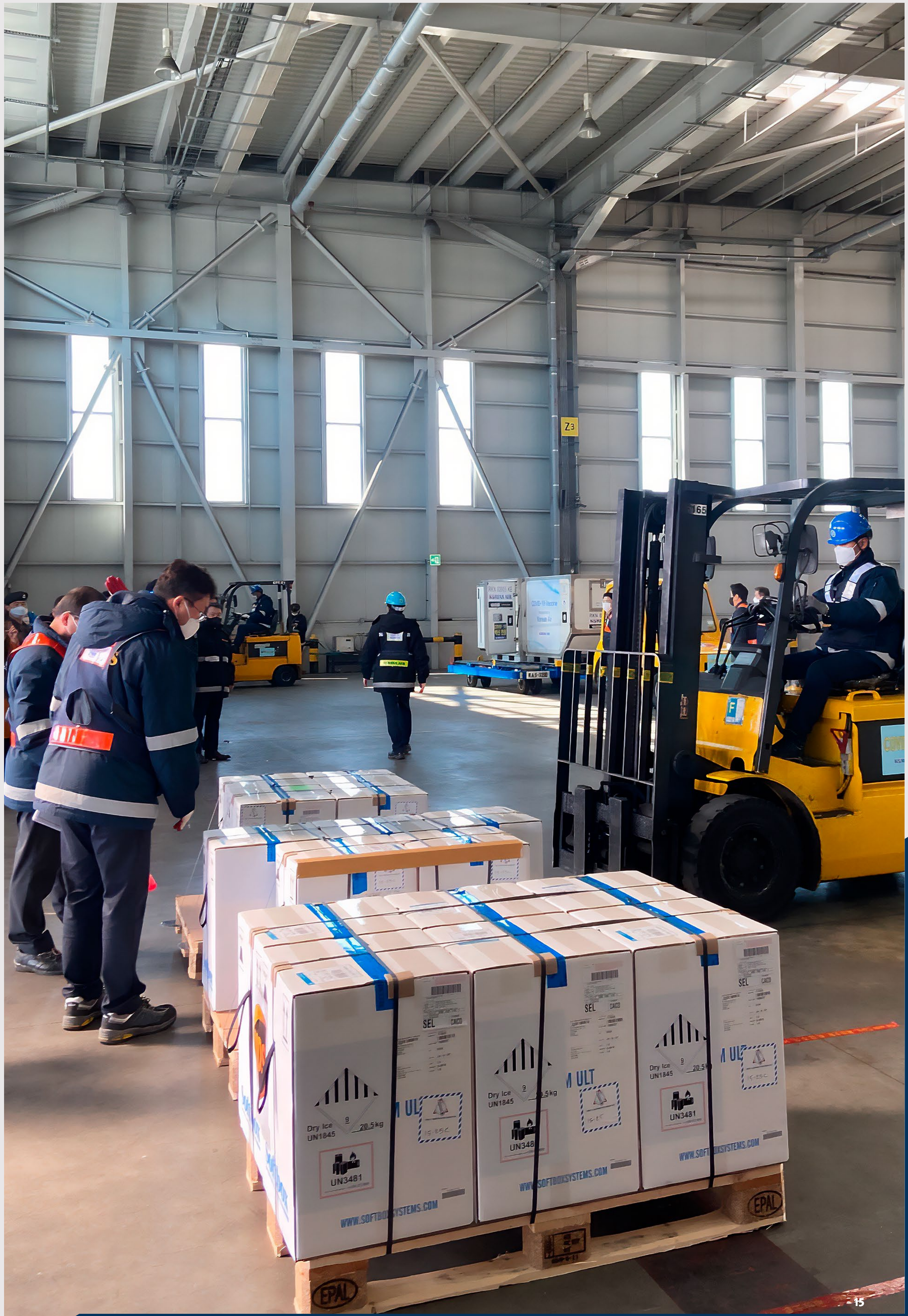
MedAccess Guarantee Ltd

Statement of changes in equity

for the year ended 31 December 2022

	Issued capital $	Retained earnings $	Total equity $
At 1 January 2021	**200,000,000**	**6,409,723**	**206,409,723**
Comprehensive income for the year			
Loss for the year	-	(2,156,068)	(2,156,068)
At 31 December 2021	**200,000,000**	**4,253,655**	**204,253,655**
Comprehensive expense for the year			
Loss for the year	-	(7,586,824)	(7,586,824)
At 31 December 2022	**200,000,000**	**(3,333,169)**	**196,666,831**

The notes on pages 16 to 35 form part of these financial statements.



1. Corporate information and accounts preparation

Corporate information
MedAccess Guarantee Ltd is a limited company incorporated on 23 November 2017 in England and Wales, limited by shares. It is a wholly owned subsidiary of British International Investment plc, a public limited company incorporated in England and Wales. MedAccess' registered office is located at Thomas House, 84 Eccleston Square, London, SW1V 1PX, England. British International Investment plc acts as the intermediate parent and its financial statements are publicly available. The ultimate parent is the Secretary of State for Foreign, Commonwealth and Development Affairs (previously Secretary of State for International Development).

The principal activity of MedAccess is that of an innovative social finance company committed to expanding and accelerating access to life-saving medicines, vaccines and diagnostics primarily in Africa and South Asia.

Statement of compliance
The financial statements of MedAccess have been prepared in accordance with UK-adopted international accounting standards (IFRS).

Basis of preparation
The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and other financial instruments that have been presented and measured at fair value in accordance with relevant accounting standards. The financial statements are presented on a going concern basis.

The financial statements are presented in US dollars, which is also MedAccess' functional currency. Assets and liabilities are retranslated at spot rates at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of assets and liabilities denominated in foreign currencies at the year-end exchange rate are recognised in the statement of comprehensive income.

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised. A summary of the critical accounting judgements and sources of estimation uncertainty can be found in note 3.

Going concern
The Directors have a reasonable expectation that MedAccess has adequate financial resources to continue in operational existence for the next 12 months. The Directors have given consideration to the share capital of $200 million, business plan assumptions, operational risks, guarantee exposure, and operational expenditure commitments. The Directors have concluded that MedAccess has sufficient liquidity to meet business obligations and commitments as they fall due. The Directors have also assessed the implications of COVID-19, the conflict between Russia and the Ukraine and the downturn in the global bond market, concluding that there are no material impacts on the business operations of MedAccess. Accordingly, the Directors continue to adopt the going concern basis in preparing the report and financial statements.

2. Accounting policies

2.1 Short-term investments
MedAccess classifies its short-term investments as financial assets at fair value through profit and loss. Management determines the classification of its investments at initial recognition. Apart from loans and receivables, financial instruments are designated as fair value through profit and loss because the fair value of the investment portfolio is a key performance indicator for MedAccess.

Gains and losses realised on disposal or redemption, by reference to the valuation at the previous statement of financial position date, and unrealised gains and losses from changes in the fair values of the investment portfolio are taken to the statement of comprehensive income.

MedAccess Guarantee Ltd
Notes to the financial statements

2.2 Cash and cash equivalents
Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash within three months and which are subject to an insignificant risk of change in value.

2.3 Fair value
The financial statements have been prepared at historical cost with the exception of the following items:

Items	Measurement Basis
Volume guarantee and procurement contracts	Fair value
Short-term investments	Fair value

Fair value is defined in IFRS 13 Fair Value Measurement as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market (or the most advantageous market in the absence of a principal market) at the measurement date. In determining the fair value of a financial asset or liability, MedAccess uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs as far as possible.

Assets and liabilities measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair value, according to the following fair value hierarchy which distinguishes between observable and unobservable inputs:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, MedAccess determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between the Levels during the year and there were no changes in valuation techniques during the year.

Fair value is estimated by using a discounted cash flow analysis of the guarantee contract's expected future cash flows, and is calculated as the estimated discounted future income streams less estimated discounted shortfall payment amounts (or guarantee call losses). Estimates of key inputs used in this methodology include the discount rate and assumed inputs used to calculate estimated potential guarantee call losses, including assumptions relating to the probability of a call on the guarantee. It includes the evaluation of historical volumes achieved, estimated future volumes, economic and/or market events, and other pertinent information.

Guarantee contracts are categorised as Level 3 as significant unobservable inputs are utilised. Given the bespoke nature of guarantee contracts, their fair value cannot be readily determined by market prices or observable inputs only. As such, the determination of fair value requires significant judgments, assumptions and estimations.

Due to the inherent uncertainty, these estimated values may differ significantly from the values that would have been used had a ready market for these guarantees existed, and it is reasonably possible that the difference could be material.

Short-term investments are categorised as Level 2.

2.4 IFRS 16 Leases
IFRS 16 applies to all leases except for licenses of intellectual property, rights held by licensing agreement within the scope of IAS 38, Intangible Assets, service concession arrangements, leases of biological assets within the scope of IAS 41, Agriculture, and leases of minerals, oil, natural gas and similar non-regenerative resources.

Lessees will be required to recognise both:

1 A lease liability, measured at the present value of remaining cash flows on the lease; and

2 A right of use asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The right of use asset will amortise to the income statement over the life of the lease.

There is a recognition exemption in IFRS 16 for short-term leases and leases of low-value assets which allows the lessee to apply similar accounting as an operating lease under IAS 17.

2.5 Financial instruments

Financial assets
Financial assets are initially measured at fair value plus any directly attributable transaction costs.

Financial assets held at amortised cost
The financial assets comprise of cash and cash equivalents, and trade and other receivables.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets held at fair value through profit or loss
The Company's financial assets held at fair value through profit or loss include its investment portfolio which comprise of fixed income debt instruments, derivatives and related securities which are managed by PIMCO on behalf of MedAccess.

Fixed income debt instruments have been designated at fair value through profit or loss as these instruments are part of a portfolio of financial assets managed on fair value basis. These financial assets are not held within a business model whose objective:

- is to hold financial assets in order to collect contractual cash flows; or
- collecting both contractual cash flows and selling.

Derivative financial instruments are designated at fair value through profit or loss. Financial assets held at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial liabilities
Financial liabilities are initially measured at fair value less any directly attributable transaction costs.

Financial liabilites held at amortised cost
Subsequent to initial recognition, the contractual obligations to deliver cash or another financial asset to another entity are measured at amortised cost using the effective interest rate method.

Financial liabilities held at fair value through profit or loss
Subsequent to initial recognition, financial guarantees and derivative financial instruments are remeasured at fair value at each reporting date and changes therein are recognised in the statement of profit or loss. The fair value of any financial guarantees are measured in the same way as they were on initial recognition. Refer to note 2.3 - determining the fair value of financial instruments and note 2.3 - fair value - valuation process. Net gain from financial instruments held at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences.

MedAccess Guarantee Ltd
Notes to the financial statements

Financial guarantees and derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.6 Repurchase agreements
When the Company sells a financial asset and simultaneously enters into an agreement to repurchase the same or similar asset at a fixed price on a future date, the arrangement is accounted for as a borrowing, recognised in the statement of financial position as a reverse repurchase agreement, and the underlying asset continues to be recognised as a financial asset at fair value through profit or loss in the financial statements. Payables under reverse repurchase agreements are measured at amortised cost.

2.7 Provisions, contingent liabilities and contingent assets
Provisions are recognised if there is a present obligation, whether legal or constructive, which has arisen as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability.

Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

2.8 Income
Income is recognised to the extent that it is probable that the economic benefits will flow to MedAccess and can be reliably measured.

2.9 Grant income
Grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the company. Where retention of a government grant is dependent on the company satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the statement of comprehensive income or netted against the asset purchased.

2.10 Employee benefits
The Variable Element of Pay Plan (VEPP) is an additional element of the organisation's remuneration, which aims to reward and recognise employees' contribution to the delivery of the organisation's strategic goals over time. The cost of the VEPP is charged to the statement of comprehensive income in the period to the which the award relates.

2.11 Taxation
Income tax expense comprises current and deferred tax. Current tax is recognised as income or expense and is included in the net profit for the period, unless it relates to a transaction or event which is recognised directly in equity, whereupon the current tax is charged or credited to equity accordingly.

Current and deferred tax assets and liabilities are offset only when they arise from the same tax reporting company and relate to the same tax authority and when the legal right to offset exists.

Current and deferred taxes are recognised as a tax credit or expense in the period in which they arise except for deferred taxes recognised or disposed of upon the acquisition or disposal of a subsidiary.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in MedAccess financial statements. Deferred tax is measured on an undiscounted that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

2.12 Impact of new and amended IFRS Standards that are effective for the current year
In the current year, there are no amendments to IFRS Standards and Interpretations that have had an impact on the disclosures or on the amounts reported in these financial statements.

2.13 New and revised IFRS Standards in issue but not yet effective
The following UK-adopted IFRSs have been issued but have not been applied by MedAccess in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

The following amendments are effective for periods beginning on or after 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments, which have been issued by the IASB but have not yet been adopted by the UKEB, are effective for periods beginning on or after 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

Other
MedAccess does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

MedAccess Guarantee Ltd
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3. Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the individual financial statements, is the fair value of financial instruments under IFRS 9.

The preparation of financial statements in accordance with IFRS requires the use of estimates. The key accounting estimates are the carrying value of our investment assets and guarantee contracts, which are stated at fair value. Asset valuations for unquoted investments are inherently subjective, as they are made on the basis of assumptions which may not prove to be accurate such as discount rates and assumptions in expected cash flows.

There is a critical judgement regarding the accounting treatment for each guarantee that the company issues based on the specifics in the contract. There is judgement to determine under which IFRS the guarantee should be accounted and there is further judgement regarding the appropriate application of IFRS 9. To date, all contracts have been determined to be derivative contracts and held at fair value through the profit and loss under IFRS 9.

The fair value of guarantee contracts is estimated by using a discounted cash flow analysis of the guarantee contract's expected future cash flows, and is calculated as the estimated discounted future income streams less estimated discounted shortfall payment amounts (or guarantee call losses). Estimates of key inputs used in this methodology include the discount rate and assumed inputs used to calculate estimated potential guarantee call losses, including assumptions relating to the probability of a call on the guarantee. It includes the evaluation of historical volumes achieved, estimated future volumes, economic and/or market events, and other pertinent information.

Given the bespoke nature of guarantee contracts, their fair value cannot be readily determined by market prices or observable inputs only. As such, the determination of fair value requires significant judgments, assumptions and estimations. Due to the inherent uncertainty, these estimated values may differ significantly from the values that would have been used had a ready market for these guarantees existed, and it is reasonably possible that the difference could be material. Refer to note 6 for sensitivity analysis.

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Company has determined that deferred tax assets in respect of losses should be recognised on the basis that the Company is expected to return to profitability over the next 12 months and hence it expected these losses will be utilised in the foreseeable future.

4. Property, plant and equipment

Right of use assets comprise leased assets that do not meet the definition of investment property.

	Office equipment $	Computer equipment $	Total $
Cost			
At 1 January 2022	4,078	-	4,078
Additions	2,489	33,423	35,912
At 31 December 2022	**6,567**	**33,423**	**39,990**
Depreciation			
At 1 January 2022	793	-	793
Charge for the year on owned assets	1,636	8,658	10,294
At 31 December 2022	**2,429**	**8,658**	**11,087**
Net book value			
At 31 December 2022	**4,138**	**24,765**	**28,903**
At 31 December 2021	**3,285**	**-**	**3,285**

In respect of prior year:

Right of use assets comprise leased assets that do not meet the definition of investment property.

	Office equipment $	Right of use assets $	Total $
Cost			
At 1 January 2021	-	834,533	834,533
Additions	4,078	-	4,078
Disposals	-	(834,533)	(834,533)
At 31 December 2021	**4,078**	**-**	**4,078**
Depreciation			
At 1 January 2021	-	642,652	642,652
Charge for the year on owned assets	793	-	793
Charge for the year on financed assets	-	191,881	191,881
Disposals	-	(834,533)	(834,533)
At 31 December 2021	**793**	**-**	**793**
Net book value			
At 31 December 2021	**3,285**	**-**	**3,285**
At 31 December 2020		**191,881**	**191,881**

	2022 $	2021 $
Lease liabilities		
Non-current liabilities	-	-
Current liabilities	-	-
Total lease liabilities	**-**	**-**
Amounts recognised in profit and loss in respect of leases		
Interest on lease liabilities/finance costs	-	1,252
Depreciation	-	191,881
Total	**-**	**193,133**

MedAccess' lease agreements expired in June 2021 and therefore no liability exists as at 31 December 2022.

MedAccess holds a short-term lease for a property and all rent payments have been expensed in line with IFRS 16.

5. Deferred taxation

	2022 $	2021 $
At beginning of year	854,733	101,347
Charged to statement of comprehensive income	2,530,524	753,386
At end of year	**3,385,257**	**854,733**

The deferred tax asset is made up as follows:

	2022 $	2021 $
Bonus provisions	279,716	244,291
Fixed asset timing differences	(7,226)	(821)
Tax losses	3,112,767	611,263
	3,385,257	**854,733**

6. Guarantee contracts

The exposure of new guarantee contracts underwritten during the year was $109.4 million (2021: $31.5 million). The total net exposure of all guarantee contracts as at 31 December 2022 was $122.5 million (2021: $77.6 million). Guarantee contract movements for the financial year are summarised in the below:

Guarantee contracts exposure

	2022 $	2021 $
Volume guarantees		
Opening net exposure	27,571,588	8,444,744
New volume guarantee contracts	9,409,471	31,480,000
Commitments discharged	(14,483,980)	(12,353,156)
Closing net exposure	**22,497,079**	**27,571,588**
Procurement guarantees		
Opening net exposure	50,000,000	50,000,000
New procurement guarantee contracts	100,000,000	-
Commitments discharged	(50,000,000)	-
Closing net exposure	**100,000,000**	**50,000,000**
Total closing exposure	**122,497,079**	**77,571,588**

MedAccess' guarantee portfolio comprises four volume guarantee contracts as at 31 December 2022 (2021: three volume guarantee contracts) and one procurement guarantee (2021: one procurement guarantee). The fair value of all guarantee contracts as at 31 December 2022 was:

Guarantee contracts fair valuation

	2022 $	2021 $
Volume guarantees	(230,304)	280,760
Procurement guarantees	361,068	-
Guarantee contracts fair valuation	**130,764**	**280,760**

Volume guarantee contracts

MedAccess provides volume guarantee contracts that reduce commercial risk for medical manufacturers, allowing them to accelerate supplies into new markets at affordable and sustainable prices.

MedAccess classifies its volume guarantee contracts as derivative financial instruments.

The volume guarantee contracts are initially recognised at fair value at the date when MedAccess enters into the derivative contract. At each subsequent reporting period, the fair value of the contracts are estimated, and the resulting gain or loss immediately recognised in the statement of comprehensive income.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derivatives are not offset in the financial statements unless MedAccess has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and is not due to be realised or settled within 12 months. A derivative with remaining maturity that is less than 12 months and that is due to be realised or settled within 12 months is presented as current assets or current liabilities.

Volume guarantee contracts guarantee a certain volume of sales over a specified period. For any volume guarantee contract that MedAccess underwrites, the initial exposure for that contract is the maximum amount that MedAccess could be contractually obliged to pay out under that contract's terms. New contracts entered into in the course of the year are reported using the same approach.

MedAccess' commitments under the volume guarantee contracts are discharged as sales are achieved by guarantee counterparties. This is reported in the 'Commitments discharged' line, and for this year was $14.5 million (2021: $12.4 million).

The resulting net exposure is the net total outstanding contractual exposure at year end, and for 2022 was $22.5 million (2021: $27.6 million). This information on exposure is presented separately, as it is an important measure by which MedAccess assesses its performance. This is different from the fair value of the volume guarantee contracts, which is shown separately and is explained in the following note.

Procurement guarantees

MedAccess entered into a procurement guarantee during 2020 with a total exposure value of $50 million, to enable the United Nations Children's Fund (UNICEF) accelerate access to vital coronavirus-related medical supplies. The guarantee expired in 2022.

A procurement guarantee of $100 million was issued to Gavi in 2022 to support the COVID-19 Vaccines Global Access (COVAX) cost sharing mechanism and help countries procure additional COVID-19 vaccine doses.

All procurement guarantees are accounted for as derivative financial instruments, recognising the fair value of call losses as an expense and an associated negative fair value recognised as a financial liability. The fair value assessment at 31 December 2022 indicated there were no call losses and therefore no associated expenses or liabilities were recognised in the financial statements relating to these agreements.

Guarantee contracts - fair value

Volume guarantee contracts represent Level 3 of the fair value hierarchy. The net fair value gain of $748,163 (2021: $1,347,180) for the volume guarantee contracts has been recognised in the profit and loss statement. The fair value calculation is detailed further in note 2.

	2022 $	2021 $
Opening value	280,760	1,118,037
Fair value gains	748,163	1,347,180
Realised fees – guarantee contracts	(898,159)	(2,184,457)
At 31 December, at fair value	**130,764**	**280,760**

The most significant unobservable input into the volume guarantee contracts is the discount rate, which comprises two elements: the risk-free rate (30-year treasury yield) and a risk premium. The following is a sensitivity analysis of the volume guarantee contract's fair value in respect of the discount rate, which is considered to be an unobservable input:

+1% increase in discount rate will lead to a decrease in fair value of $4,462 (2021: $3,629)

-1% decrease in discount rate will lead to an increase in fair value of $4,912 (2021: $3,732)

At each subsequent reporting period, the fair value of the contracts are estimated, and the resulting gain or loss immediately recognised in the profit and loss statement.

7. Short-term investments

The short-term investments relate to the assets managed by PIMCO Europe Ltd, under an Investment Management Agreement. PIMCO on behalf of the Company hold derivative financial instruments to hedge foreign currency positions from the investment portfolio.

Derivatives are recognised at fair value through profit or loss. Refer to accounting policies of financial instruments in note 2.5 - Financial assets and financial liabilities (under IFRS 9) – initial recognition and subsequent measurement.

	2022 $	2021 $
At 1 January	198,673,637	198,928,134
Cash withdrawals	-	(776,566)
Net (losses)/gains	(5,285,316)	522,069
At 31 December	**193,388,321**	**198,673,637**

Financial assets and derivatives are held at fair value and are classified as Level 2 in the fair value hierarchy. Cash held by broker are repurchase contracts are carried at amortised cost. Derivatives contracts held represent short-term currency futures and forward foreign contracts. Valuation inputs include interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads and inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

PIMCO undertakes an assessment of the effectiveness of the hedging instruments in accordance with its policies in place, which are reviewed from time to time.

In November 2018, following Board approval, $96.6 million was initially invested by PIMCO (the manager) through HSBC (the custodian) in fixed income and related securities. In November 2019 a further $100.0 million was invested with PIMCO.

As of 31 December 2022, total cash invested with PIMCO amounted to:

Breakdown of investments

	2022 $	2021 $
Financial assets	124,954,738	159,727,299
Cash equivalents	142,548,302	38,938,058
Derivatives	(3,031)	8,263
Repos	(74,111,688)	-
	193,388,321	**198,673,620**

The derivatives represent short-term future and forward contracts.

The total fees relating to PIMCO for the period up to 31 December totalled $347,000 (2021 $356,000).

Fees are payable quarterly in arrears and are computed based on the market value of the account as reported on the custodian's statement at the end of the billing period prorated for contributions or withdrawals in accordance with PIMCO standard policy, which currently provides for adjustments of daily net flows in excess of 1% of the account market value when calculating fees under the agreement.

8. Trade and other receivables

	2022 $	2021 $
Trade receivables	213,246	294,969
VAT recoverable	56,147	63,251
Other receivables	125,771	3,915,930
Total receivables	**395,164**	**4,274,150**

Other receivables include accrued income from guarantee fee income.

9. Cash and cash equivalents

	2022 $	2021 $
Cash at bank	**4,420,476**	**5,019,892**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is $4,420,476 (2021: $5,019,892).

10. Issued capital

	2022 $	2021 $
Authorised, allotted, called up and fully paid		
200,000,000 Ordinary shares of $1 each	**200,000,000**	**200,000,000**

11. Trade and other payables (current and non-current)

	2022 $	2021 $
Trade payables	157,818	25,755
Accruals	1,665,438	1,501,174
Deferred income	1,167,530	1,469,654
Other payables	154,764	-
Total trade and other payables	**3,145,550**	**2,996,583**
Amounts due to parent company (see note 15)	879,055	879,055
Total payables (current)	**4,024,605**	**3,875,638**
Other payables	1,057,447	977,164
Total other payables (non-current)	**1,057,447**	**977,164**

MedAccess Guarantee Ltd
Notes to the financial statements

12. Administrative and other expenses

	2022 $	2021 $
Wages and salaries	3,238,833	2,821,329
Social security costs	423,685	577,659
Pension cost – defined contribution	261,969	199,318
Variable element of pay plan (VEPP)	957,026	970,212
Total employee benefits expense	**4,881,513**	**4,568,518**
Professional services	1,839,754	1,255,245
Auditor remuneration	90,596	54,550
Other administrative expenses	1,465,234	1,137,952
Total administrative and other expenses	**8,277,097**	**7,016,265**

The average monthly number of employees during the period was 22 (2021: 21). MedAccess operates a long-term incentive scheme called the Variable Element of Pay Plan (VEPP). The VEPP is an additional element of the organisation's remuneration, which aims to reward and recognise employees' contribution to the delivery of the organisation's strategic goals over time. Pay-out under the current plan is capped, limiting the maximum potential reward of all employees.

Half of the VEPP award earned is payable in March of the following year; the balance is deferred and paid over the next 4 years, provided the person remains in the employ of MedAccess.

Auditors remuneration is for the audit of the statutory financial statements.

The aggregate of Directors' emoluments is presented below:

	2022 $	2021 $
Salaries, fees, bonuses and benefits in kind	489,833	433,596
Amounts receivable under long-term incentive plans	-	82,557
Total Directors' emoluments	**489,833**	**516,153**

One Director is a member of MedAccess' defined contribution pension plan.

The remuneration of the Director, who is the key management personnel of MedAccess, is set out below:

	2022 $	2021 $
Salaries, fees, bonuses and benefits in kind	409,176	309,927
Amounts receivable under long-term incentive plans (other long-term benefits)	-	82,557
Total key management personnel compensation	**409,176**	**392,484**

There are no post-employment benefits payable.

Notes to the financial statements

13. Other operating income

	2022 $	2021 $
Government grants receivable	2,732,279	2,322,091
Sundry income	51	11,344
	2,732,330	**2,333,435**

All grant funds recorded have been received under a grant from the Foreign, Commonwealth and Development Office ("FCDO") to support the development, execution, and implementation of MedAccess transactions that generate value for money for the Global Fund to fight AIDS, TB, and Malaria ("GFATM"). The grant became effective on 15 July 2021 and extends through 31 March 2024. The facility is used to cover risk charge, implementation and monitoring costs including staff time and deal development expenses.

Reimbursement for costs is paid in arrears in March and September.

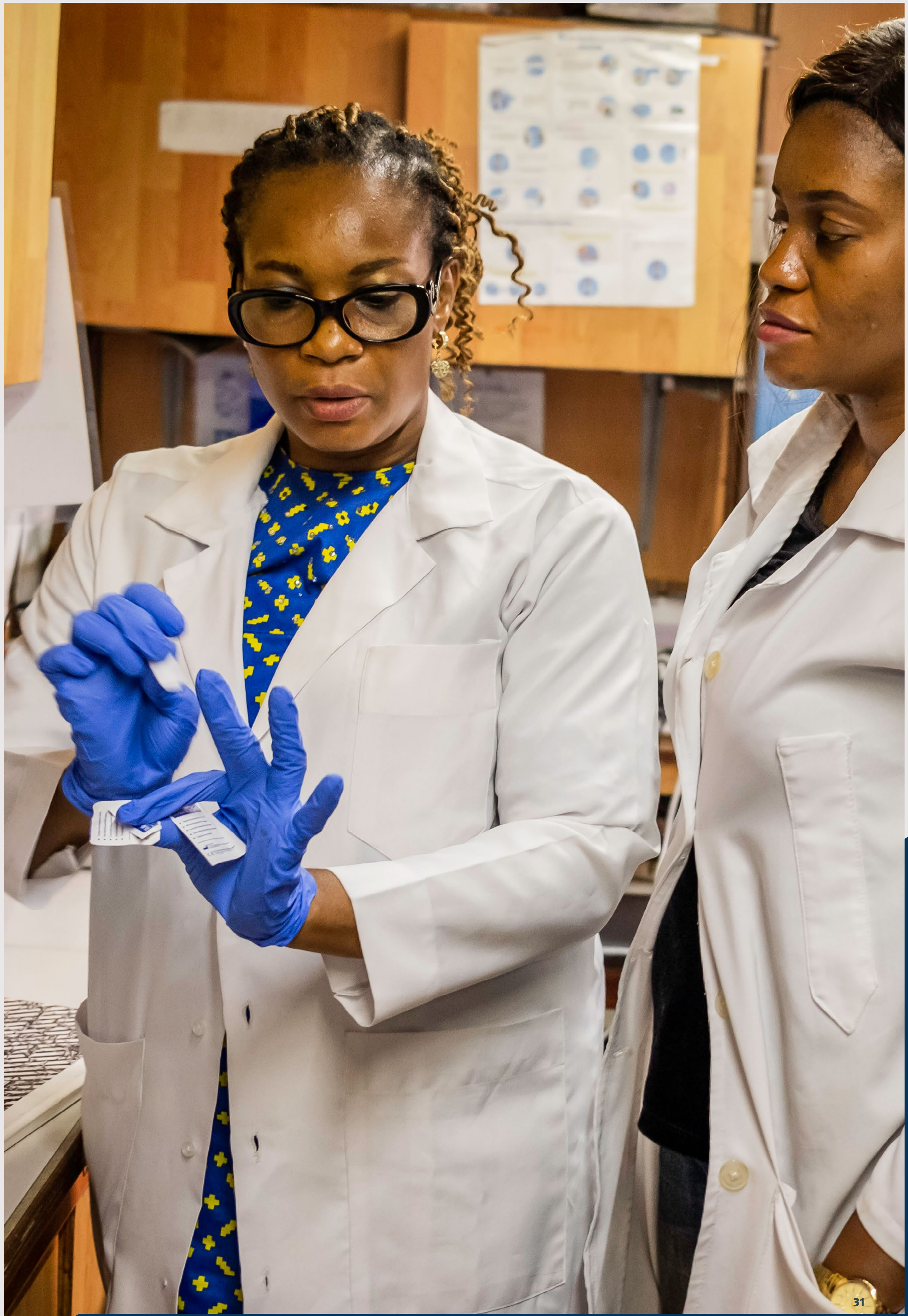
14. Taxation

	2022 $	2021 $
Current tax		
Prior year charge	-	(187)
	-	**(187)**
Deferred tax		
Current year credit	(2,530,524)	(727,634)
Prior year credit	-	4,751
Effect of tax rate change on opening balance	-	(30,503)
Total income tax expense per the statement of comprehensive income	**(2,530,524)**	**(753,573)**

Factors affecting tax charge for the year

The UK Corporation tax rate is reconciled to the effective tax rate for the period as follows:

	2022 %	2021 %
UK Corporation rate	(19.0)	(19.0)
Effect of:		
Temporary timing differences	-	-
Recognition of deferred tax asset on temporary timing differences	-	-
Remeasurement of deferred tax for changes in tax rates	(6.0)	(6.7)
Adjustments in respect of previous periods	(0.0)	(0.2)
Effective tax rate for the year	**(25.0)**	**(25.9)**



15. Related party transactions

During the financial year, MedAccess entered into transactions with its parent company British International Investment plc, all of which were carried out on an arm's length basis. The transactions entered into and trading balances outstanding at 31 December were as follows:

	2022 $	2021 $
Statement of comprehensive income		
Service level agreement fees (administrative and other expenses)	47,128	428,223
Statement of financial position		
Amounts due to British International Investment plc	**(879,055)**	**(879,055)**

In December 2021, MedAccess sheltered its profits for the financial year 2020 using losses from other wholly owned UK subsidiaries of British International Investment plc. The 2020 tax liability to corporation tax was £649,774 and under the group relief provisions under UK tax law which are available to it, MedAccess' tax liability to HMRC will be reduced to nil. MedAccess has raised a corresponding liability to the British International Investment plc entity of £649,774. This balance is still outstanding as at 31 December 2022.

16. Financial instruments

MedAccess' financial assets (as defined in IFRS 7) comprise cash, short-term investments and trade and other receivables. Financial liabilities comprise trade and other payables and amounts due to parent company.

Interest rate exposures

	Fixed rate $	Floating rate $	No interest $	Total $	Fixed rate weighted average interest rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
Financial assets: Cash							
31 December 2022	-	4,420,476	-	4,420,476	-	-	-
31 December 2021	-	5,019,892	-	5,019,892	-	-	-

Currency exposures

The tables below show MedAccess' currency exposures that give rise to exchange rate gains and losses that are recognised in the statement of comprehensive income. Such exposures comprise those monetary assets and liabilities that are not denominated in MedAccess' functional currency. The following table shows MedAccess' foreign currency denominated cash balances:

	2022 $	2021 $
Functional currency		
Sterling	**3,806,650**	**3,337,168**

MedAccess Guarantee Ltd
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Liquidity risk

The following tables show the maturity profile of MedAccess' financial assets and liabilities other than cash:

	Short-term investments $	Trade receivables $	Other receivables $	Total $
Financial assets: Maturity profile				
On demand	-	-	-	-
Due within one year, but not on demand	193,388,321	213,246	125,771	193,727,338
31 December 2022	**193,388,321**	**213,246**	**125,771**	**193,727,338**
On demand	-	-	-	-
Due within one year, but not on demand	198,673,637	294,969	3,915,930	202,884,536
31 December 2021	**198,673,637**	**294,969**	**3,915,930**	**202,884,536**

	Trade payables $	Accruals $	Amounts due to parent company $	Other payables $	Total $
Financial liabilities: Maturity profile					
On demand	-	-	-	-	-
Due within one year, but not on demand	157,818	1,665,438	879,055	-	2,702,311
Due between two and five years	-	-	-	1,057,447	1,057,447
31 December 2022	**157,818**	**1,665,438**	**879,055**	**1,057,447**	**3,759,758**
On demand	-	-	-	-	-
Due within one year, but not on demand	25,755	1,501,174	879,055	-	2,405,984
Due between two and five years	-	-	-	977,164	977,164
31 December 2021	**25,755**	**1,501,174**	**879,055**	**977,164**	**3,383,148**

MedAccess does not net off contractual amounts of financial assets and liabilities.

Short-term investments include short-term repurchase agreements and derivative liabilities which will be settled by cash or proceeds from other short-term investments and hence have been shown net in the table. The gross exposure is shown in note 7.

The Company limits its exposure to credit risk by investing only in liquid debt securities.

The maximum exposure to credit risk for debt securities classified as financial instruments at fair value through profit or loss, cash and derivatives at 31 December 2022 is as follows:

	2022 $	2021 $
Currency		
USD	202,043,568	204,929,056
GBP	42,555	2,881
Euro	4,346	39,859
CAD	(6,684)	17,455
JPY	19,222	409
AUD	1	1

Fair value of financial assets and liabilities

Financial assets
There is no material difference between the fair value and the book value of cash, short-term investments and trade and other receivables.

Financial liabilities
There is no material difference between the fair value and the book value of trade and other payables and amounts payable by MedAccess to its parent company.

17. Financial risk management

MedAccess' activities expose it to a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. Market risk includes foreign currency risk, interest rate risk and price risk. The main financial risks managed by MedAccess are foreign currency risk, interest rate risk, liquidity risk and credit risk. MedAccess does not undertake any trading activity in financial instruments.

Liquidity risk

MedAccess' policy on liquidity risk is to ensure that it always has sufficient funding to meet all short- to medium-term funding requirements. See note 16 for maturity analysis of MedAccess' commitments.

Credit risk

Credit risk is the risk of financial loss to MedAccess if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

	2022 $	2021 $
Bank and cash balances	4,420,476	5,019,892
Short-term investments	193,388,321	198,673,637
Trade and other receivables (excluding VAT)	339,015	4,210,899
Total	**198,147,812**	**207,904,428**

MedAccess' policy is to recognise an impairment loss when objective evidence exists that the estimated future cash flows of the asset have decreased and that this decrease can be reliably estimated. Several factors are considered when identifying indicators of impairment including breach of contract or financial difficulties being experienced by the obligor. Based on historical trends MedAccess believes no impairment allowance is necessary in respect of financial assets not past due. Global financial markets are volatile and impacted by central bank policy, inflation and world events. Financial markets underperformed in the first quarter of 2023 but recovery is expected towards the latter part of 2023.

Credit risk on MedAccess' cash balances and investments is mitigated as MedAccess transacts with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above.

Market risk

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. In preparing the sensitivity analysis a movement of 1% has been used as it represents a reasonable and realistic potential change in value. The sensitivity analysis is based on the assumption that all other variables remain constant, a 1% movement in the average interest rate with all other variables held constant would impact profit by $1,986,737 (2021: $63,433).

Foreign currency risk
Exposure to currency risk arises in the normal course of MedAccess' activities. MedAccess has exposure to Sterling. MedAccess held a cash balance in Sterling equivalent to $3,806,650 (2021: $3,337,168) as at 31 December 2022.

In preparing the sensitivity analysis a movement of 10% has been used as it represents a reasonable and realistic potential change in value. The sensitivity analysis is based on the assumption that all other variables remain constant, a 10% movement in the average exchange rate for Sterling against US dollar with all other variables held constant would impact profit by $380,665 (2021: $333,717).

Capital management

MedAccess considers its capital to be the total equity shown in statement of changes of equity. MedAccess' objectives when managing capital are:

- to safeguard MedAccess' ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders; and
- to maintain a strong capital base to support the development of MedAccess' businesses.

There are no externally imposed capital requirements.

The Board monitors the results of MedAccess and its financial position.

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Front cover: © COVAX / Dhiraj Singh, India – COVID-19 vaccine vials are produced for the COVAX facility at a manufacturer in Pune.

02: © iStock/Yaw Niel, a healthcare worker checks a child's breathing.

04: © UNICEF/Sujan, Bangladesh receives its first shipment of COVID-19 vaccines from the COVAX Facility.

10: © CHAI, Manager and customers at a wholesale pharmacy.

15: © Gavi, South Korea receives a shipment of 117,000 doses of the Pfizer/BioNTech vaccine, via its participation in the COVAX Facility.

22: © PATH / Conner House, Scientist analysing blood samples for G6PD enzyme levels.

31: © Arete / Bernard Kalu / MedAccess, Joy Majuako, laboratory technician, trains her colleagues on how to use the HIV and syphilis dual test kit in Obio Cottage Hospital Rumuobiakani, Port Harcourt, Rivers State, Nigeria.

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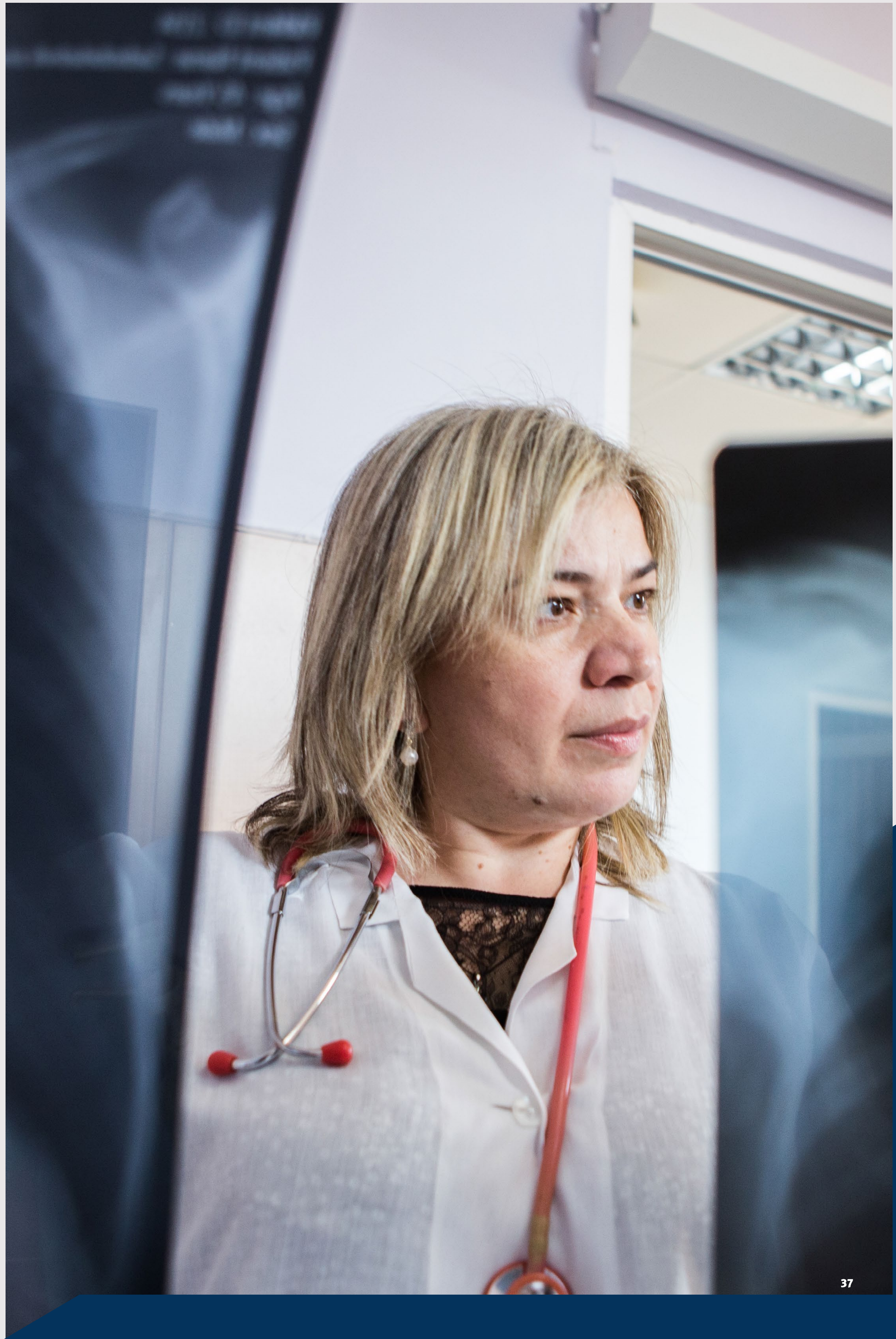

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