MedAccess

2023

Annual report & financial statements

MedAccess Guarantee Ltd

Contents

For the year ended
31 December 2023

Company number
11080032

Company secretary
Jonathan Hutchins

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
Egbe Osifo-Dawodu
Wilhelmus Verhoofstad
Daniel Camus
Helen Rees
Antony Ross
Alison Evans
Anil Soni
Cyrus Ardalan

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 2023.

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
Antony Ross	14 September 2023
Alison Evans	1 April 2024
Anil Soni	1 April 2024
Cyrus Ardalan	1 May 2024

Diana Noble resigned 31 December 2023

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. On 5 December 2023, by an ordinary resolution of the shareholder, 30,000,000 existing ordinary shares were converted into redeemable preference shares having the rights and being subject to the obligations set out in the articles of association. On 11 December 2023, a Capital Return notice was issued and the whole of the preference share Capital of $30,000,000 (thirty million dollars) will be cancelled and the capital returned to the shareholder on 30 June 2025. These redeemable preference shares have been recorded as a liability in the financial statements.

The net income generated by MedAccess is from short-term investments, grants and volume guarantee contracts. MedAccess recorded a net surplus of $6,352,842 for the year ended 31 December 2023 (2022: $7,586,824 net expense). The net asset value of MedAccess was $175,247,975 at 31 December 2023 (2022: $196,666,831). The decrease in the net asset value is due to the pending redemption of the preference shares.

Financial statements

MedAccess' financial assets (as defined in IFRS 7) comprise cash, short- and long-term investments and trade and other receivables, refer to notes 7 to 12 for detail. MedAccess' financial liabilities comprise trade and other payables, future derivative instruments, repurchase contracts and redeemable preference shares. Details are provided in note 14 and 15 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 (2022: $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 $170 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 $168,726,506 in short-term liquid investments and $6,188,853 in cash.

The Directors have also assessed the global macro-economic and political situation and have concluded 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.

This report was approved by the Board of Directors and signed on its behalf.

VHRees

Helen Rees
Chairperson

Date: 5 June 2024

Directors' responsibilities statement

for the Year Ended 31 December 2023

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 profit 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 2023 and of its profit 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial position;
- the statement of comprehensive income;
- the statement of cash flows;
- the statement of changes in equity;
- the material accounting policy information; and
- the related notes on page 16 – 44.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and 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 and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company’s business sector.

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 valuation of Guarantee contracts may be materially misstated due to over/under estimation of the fair value. The complex nature of these valuations means there is significant judgement needed to determine the appropriate valuation methodology to use, combined with the number of significant judgements involved in determining future cashflows means there is a risk the fair value may be materially misstated. In addition, there is an inherent risk of fraud associated with areas of significant judgements. In addressing the risk of fraud, we performed the following procedures:

- 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 challenged 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.

MedAccess Guarantee Ltd
Independent auditor’s report to the Members of MedAccess Guarantee Ltd

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:

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

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: 6 June 2024

MedAccess Guarantee Ltd

Statement of financial position

Registered number: 11080032

as at 31 December 2023

	Note	2023 $	2022 Restated $
Non-current assets			
Property, plant and equipment	4	65,823	28,903
Deferred tax asset	5	1,561,175	3,385,257
Volume guarantee contracts	6	-	130,764
Financial assets at fair value through profit or loss	7	20,212,474	-
		21,839,472	**3,544,924**
Current assets			
Financial assets at fair value through profit or loss	7	179,928,367	267,457,977
Trade and other receivables (including prepayments)	11	12,047,818	395,162
Cash and cash equivalents	12	6,188,853	4,420,476
		198,165,038	**272,273,615**
Total assets		**220,004,510**	**275,818,539**
Equity and liabilities			
Issued capital	13	170,000,000	200,000,000
Retained earnings		5,247,975	(3,333,169)
		175,247,975	**196,666,831**
Non-current liabilities			
Other payables	14	1,164,600	1,057,447
Redeemable preference shares	15	27,771,698	-
Volume guarantee contracts	6	155,464	-
		29,091,762	**1,057,447**
Current liabilities			
Trade and other payables	14	4,189,309	3,145,550
Corporation tax	20	273,603	-
Amounts owed to group companies	14	-	879,055
Financial liabilities at fair value through profit or loss	7	11,201,861	74,069,656
		15,664,773	**78,094,261**
Total equity and liabilities		**220,004,510**	**275,818,539**

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

H Rees

Helen Rees
Chairperson

Date: 5 June 2024

The notes on pages 16 to 44 form part of these financial statements.

Statement of comprehensive income

for the Year Ended 31 December 2023

	Note	2023 $	2022 $
Fair value gains on volume guarantee contracts	6	954,188	748,163
Administrative and other expenses	16	(9,153,070)	(8,277,097)
Operating loss		**(8,198,882)**	**(7,528,934)**
Interest receivable and similar income	18	1,217,594	-
Fair value gains/(losses) on financial assets at fair value through profit or loss	10	11,193,910	(5,285,316)
Interest payable and similar expenses	19	(247,137)	-
Other operating income	17	4,332,700	2,732,330
Net foreign exchange gain/(loss)		152,529	(35,428)
Profit/(loss) before tax		**8,450,714**	**(10,117,348)**
Taxation	20	(2,097,872)	2,530,524
Total comprehensive income/(expense) for the year		**6,352,842**	**(7,586,824)**

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 44 form part of these financial statements.

Statement of cash flows

for the Year Ended 31 December 2023

	2023 $	2022 $
Cash flows from operating activities		
Profit/(loss) from operations before tax	8,450,714	(10,117,348)
Adjustments for:		
Depreciation	16,172	10,294
Interest paid	247,137	-
Interest received	(1,217,594)	-
Net fair value (gains)/losses on financial assets at fair value through profit or loss	(11,193,910)	5,285,316
Fair value losses from volume guarantee portfolio	286,228	149,996
Write-offs of assets	5,559	-
Investment fees	308,718	-
Net foreign exchange gain	(3,607)	(9,168)
(Increase)/decrease in trade and other receivables	(11,652,843)	3,878,989
Increase in trade and other payables	271,857	229,249
Net cash used in operating activities	**(14,481,569)**	**(572,672)**
Cash flows from investing activities		
Purchase of tangible fixed assets	(58,650)	(35,912)
Investment in PIMCO Commercial Property Real Estate Fund	(20,286,171)	-
Withdrawal from PIMCO investment	35,929,421	-
Interest received	1,217,594	-
Investment fees	(308,718)	-
Net cash generated from/(used in) investing activities	**16,493,476**	**(35,912)**
Cash flows from financing activities		
Interest paid	(247,137)	-
Net cash used in financing activities	**(247,137)**	**-**
Net increase/(decrease) in cash and cash equivalents	**1,764,770**	**(608,584)**
Cash and cash equivalents at 1 January	4,420,476	5,019,892
Effect of exchange rate fluctuations on cash held	3,607	9,168
Cash and cash equivalents at the end of year	**6,188,853**	**4,420,476**
Cash and cash equivalents at the end of year comprise:		
Cash at bank	6,188,853	4,420,476
	6,188,853	**4,420,476**

The notes on pages 16 to 44 form part of these financial statements.

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Statement of changes in equity

for the Year Ended 31 December 2023

	Issued capital $	Retained earnings $	Total equity $
At 1 January 2022	**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**
Comprehensive expense for the year			
Profit for the year	-	6,352,842	6,352,842
Contributions by and distributions to owners			
Ordinary shares converted to redeemable preference shares at par	(30,000,000)	-	(30,000,000)
Present value adjustment on redeemable preference shares (note 15)	-	2,228,302	2,228,302
At 31 December 2023	**170,000,000**	**5,247,975**	**175,247,975**

The notes on pages 16 to 44 form part of these financial statements.

1. Corporate information and accounts preparation

Corporate information
MedAccess Guarantee Ltd (MedAccess) is a limited company incorporated on 23 November 2017 in England and Wales, limited by shares. MedAccess 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 translated 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 cash reserves of $6,188,853, and PIMCO short-term liquid investments of $168,726,506, 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 the prevailing global macro-economic and political conditions, 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 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.

2.2 Fair value measurement
The Company measures financial instruments such as financial assets and financial liabilities held for trading, derivatives, and equity investments at fair value at each reporting date.

MedAccess Guarantee Ltd
Notes to the financial statements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

Financial assets and financial liabilities
The majority of the Company's financial assets and financial liabilities are quoted in active markets. The Company therefore obtains the fair value of each financial asset and financial liability, which includes derivative financial instruments, from external sources. The Company values unquoted equity investments using either a discounted cash flow valuation technique for guarantee contracts or a net asset value for other investments. The inputs to this model are taken from observable markets other than unadjusted quoted prices where possible, but where this is not feasible, a degree of judgement is applied in establishing fair values. Judgements include considerations of inputs such as credit risk and volatility. The fair value of the Company's investment in PIMCO Real Estate Lending Europe Fund SCSp (PCREL) is determined based on the published net asset value (NAV) of PCREL fund as at year-end.

Guarantee contracts
Fair value is estimated by using a discounted cash flow analysis of the contract's expected future cash flows, and is calculated as the estimated discounted future income streams less estimated discounted 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 judgements, 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.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3 Redeemable preference shares

Preference shares which are redeemable on a specific date or at the option of the shareholder, or which carry non-discretionary dividend obligations, should be classified as liabilities. The Company generally does not declare dividends on these preference shares, but if one were to be declared the dividends would be taken to the statement of comprehensive income as interest expense.

2.4 Financial instruments

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit-making. Included in this classification are cash and cash equivalents, US treasury bills, mortgage bonds, and corporate bonds that have been acquired principally for the purpose of selling or repurchasing in the near term.

Financial assets and financial liabilities at fair value through profit or loss are measured in the statement of financial position at fair value with changes in fair value recognised in fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss respectively in the statement of comprehensive income. Interest income is recorded in interest income on financial assets at fair value through profit or loss and interest expense is recorded in interest expense on financial liabilities at fair value through profit or loss respectively according to the terms of the contract. Dividends on equity investments are recognised as dividend income in the statement of comprehensive income when the right of payment has been established.

Financial liabilities

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

Financial liabilities held at amortised cost

Subsequent to initial recognition, the contractual obligations to deliver cash or a 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 comprehensive income. The fair value of any financial guarantees are measured in the same way as they were on initial recognition. Refer to note 2.2 for the determination of the fair value of financial instruments and the 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.

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.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.5 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 fair value.

2.6 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 can 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.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	3 years
Computer equipment	3 years

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the financial statements

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 for revenue expenditure are netted against the cost incurred by the Company. Where retention of a 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.

2.10 Finance costs
Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 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.

2.12 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 basis at the tax rates 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.

2.13 Impact of new and amended IFRS Standards that are effective for the current year

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

The above amendments to IFRS Standards and Interpretations have not had an impact on the disclosures or on the amounts reported in these financial statements.

2.14 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, which have been issued by the IASB but have not yet been adopted by the UK Endorsement Board ("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);
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

The following amendments will be effective for the period beginning 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments – Lack of Exchangeability).

Other

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

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 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.

Guarantee contracts

The fair value of guarantee contracts is estimated by using a discounted cash flow analysis of the contract's expected future cash flows, and is calculated as the estimated discounted future income streams less estimated discounted 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 judgements, 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

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 expects that these losses will be utilised in the foreseeable future.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to this model are taken from observable markets other than unadjusted quoted prices where possible, but where this is not feasible, a degree of judgement is applied in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

MedAccess has an investment in a limited partnership in PCREL which provides privately originated commercial real estate floating rate loans to borrowers. This is an illiquid investment with no active market. MedAccess has a contractual right to receive cashflows that are a repayment of the contributed capital and dividends as declared. The initial investment has been measured at the transaction price which is the same as its fair value at initial recognition. At each reporting date the investment will be measured at FVTPL with changes in fair value being recognised in profit and loss. The fair value of the Company's investment in PCREL is determined based on the published net asset value (NAV) of PCREL fund as at year-end.

Notes to the financial statements

4. Property, plant and equipment

	Office equipment $	Computer equipment $	Total $
Cost			
At 1 January 2023	6,567	33,423	39,990
Additions	-	58,650	58,650
Disposals		(15,611)	(15,611)
At 31 December 2023	**6,567**	**76,462**	**83,029**
Depreciation			
At 1 January 2023	2,429	8,658	11,087
Charge for the year	2,188	13,984	16,172
Disposals	-	(10,053)	(10,053)
At 31 December 2023	**4,617**	**12,589**	**17,206**
Net book value			
At 31 December 2023	**1,950**	**63,873**	**65,823**
At 31 December 2022	**4,138**	**24,765**	**28,903**

In respect of prior year:

	Office equipment $	Right of use assets $	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	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**

5. Deferred taxation

	2023 $	2022 $
At beginning of year	3,385,257	854,733
Charged to statement of comprehensive income	(1,824,082)	2,530,524
At end of year	**1,561,175**	**3,385,257**

The deferred tax asset is made up as follows:

	2023 $	2022 $
Bonus provisions	298,790	279,716
Fixed asset timing differences	(16,456)	(7,226)
Tax losses	1,278,841	3,112,767
	1,561,175	**3,385,257**

6. Guarantee contracts

The exposure of new guarantee contracts underwritten during the year was $nil (2022: $109.4 million). The total net exposure of all guarantee contracts as at 31 December 2023 was $9.6 million (2022: $122.5 million). Guarantee contract movements for the financial year are summarised in the below:

Guarantee contracts exposure

	2023 $	2022 $
Volume guarantees		
Opening net exposure	22,497,079	27,571,588
New volume guarantee contracts	-	9,409,471
Commitments discharged	(12,912,695)	(14,483,980)
Closing net exposure	**9,584,384**	**22,497,079**
Procurement guarantees		
Opening net exposure	100,000,000	50,000,000
New procurement guarantee contracts	-	100,000,000
Commitments discharged	(100,000,000)	(50,000,000)
Closing net exposure	**-**	**100,000,000**
Total closing exposure	**9,584,384**	**122,497,079**

MedAccess' guarantee portfolio comprises three volume guarantee contracts as at 31 December 2023 (2022: four volume guarantee contracts) and no procurement guarantee contracts (2022: one procurement guarantee contract). The fair value of all guarantee contracts as at 31 December 2023 was:

Guarantee contracts fair valuation

	2023 $	2022 $
Volume guarantees	(155,464)	(230,304)
Procurement guarantees	-	361,068
Guarantee contracts fair valuation	**(155,464)**	**130,764**

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 a current asset or a current liability.

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 during the year are reported using the same approach.

MedAccess' commitments under the volume guarantee contracts are discharged as sales are achieved by the guarantee counterparties. This is reported in the 'Commitments discharged' line, and for this year was $12.9 million (2022: $14.5 million).

The resulting net exposure volume guarantee at year end, and for 2023 was $9.6 million (2022: $122.5 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

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. The COVAX procurement guarantee contract expired as at year-end.

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.

Guarantee contracts – fair value

Volume guarantee contracts represent Level 3 of the fair value hierarchy. The net fair value gain of $954,188 (2022: gain of $748,163) for the volume guarantee contracts has been recognised in the profit and loss statement. The fair value calculation is detailed further in note 2.

	2023 $	2022 $
Opening value	130,764	280,760
Fair value gains	954,188	748,163
Realised fees – guarantee contracts	(1,240,416)	(898,159)
At 31 December, at fair value	**(155,464)**	**130,764**

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 $2,542 (2022: $4,462)

-1% decrease in discount rate will lead to an increase in fair value of $2,761 (2022: $4,912)

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. Financial assets and financial liabilities at fair value through profit or loss

The financial instruments relate to the instruments managed by PIMCO Europe Ltd, under an Investment Management Agreement. HSBC holds financial instruments for PIMCO on behalf of the Company.

Financial assets and derivatives are held at fair value. Cash held in this portfolio are carried at amortised cost and repurchase contracts are measured at fair value. Derivatives contracts held represent short-term currency futures and forward foreign contracts.

Financial assets

	2023 $	2022 Restated $
Financial assets at fair value through profit or loss		
Equity instruments at fair value through profit and loss (non-current)	20,212,474	-
Future derivative instruments	11,914	-
Treasury bills	22,087,281	6,869,559
Mortgage bonds	5,994,220	5,320,663
Corporate bonds	106,808,630	126,025,923
Cash and cash equivalents	45,026,322	129,241,832
Total financial assets at fair value	**200,140,841**	**267,457,977**

Financial liabilities

	2023 $	2022 Restated $
Financial liabilities at fair value through profit or loss		
Future derivative instruments	-	3,031
Repos	11,201,861	74,066,625
Total financial liabilities at fair value	**11,201,861**	**74,069,656**

PIMCO Investments

	2023 $	2022 $
At 1 January	193,388,321	198,673,637
Cash withdrawals	(35,929,421)	-
Net gains/(losses)	11,267,606	(5,285,316)
At 31 December	**168,726,506**	**193,388,321**

Notes to the financial statements

Breakdown of investments

	2023 $	2022 $
Financial assets	112,802,850	131,346,586
Cash equivalents	67,113,603	136,111,391
Breakdown of cash equivalents:		
Cash on hand	1,651,659	1,610,663
US treasury bonds	22,087,281	6,869,559
Cash collateral	233,000	219,000
Cash equivalents	87,020	7,009,260
Currency forward positions	(28,762)	(6,343,848)
Mortgage-backed security	5,383,938	6,775,727
Short-term adjustable-rate mortgages	717,884	-
Short-term asset backed securities	13,087,966	20,464,362
Short-term collateralized mortgage obligations	1,537,646	1,757,039
Short-term investment fund	2,324,018	2,010,232
Short-term notes	20,983,257	16,018,163
US treasury notes	(951,304)	79,721,234
Derivatives	11,914	(3,031)
Repos	(11,201,861)	(74,066,625)
	168,726,506	**193,388,321**

During the course of 2023 $19,665,000 was withdrawn and invested in PCREL. As at year-end an amount of $8,835,000 was cash held at the broker.

PCREL Investments

	2023 $	2022 $
At 1 January	-	-
Amount invested	19,665,000	-
Cash withdrawals	-	-
Investment income	1,177,026	-
Investment fees	(308,718)	-
Interest expense	(247,137)	-
Net losses	(73,697)	-
At 31 December	**20,212,474**	**-**

Investments Summary

	2023 $	2022 $
PIMCO Investments	168,726,506	193,388,321
PCREL Investments	20,212,474	-
At 31 December	**188,938,980**	**193,388,321**

The total fees relating to PIMCO for the period up to 31 December 2023 totalled $329,273 (2022: $347,000).

Fees are payable quarterly in arrears and are computed based on the market value of the account as reported on the PIMCO statement at the end of the billing period prorated for contributions or withdrawals in accordance with PIMCO's 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. Fair values

Set out below is comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2023 Carrying amount $	2023 Fair value $	2022 Carrying amount Restated $	2022 Fair value Restated $
Financial assets				
Equity instruments at fair value through profit and loss (non-current)	20,212,474	20,212,474	-	-
Future derivative instruments	11,914	11,914	-	-
Treasury bills	22,087,281	22,087,281	6,869,559	6,869,559
Mortgage bonds	5,994,220	5,994,220	5,320,663	5,320,663
Corporate bonds	106,808,630	106,808,630	126,025,923	126,025,923
Total	**155,114,519**	**155,114,519**	**138,216,145**	**138,216,145**
Financial liabilities				
Future derivative instruments	-	-	3,031	3,031
Repos	11,201,861	11,201,861	74,066,625	74,066,625
Total	**11,201,861**	**11,201,861**	**74,069,656**	**74,069,656**

The management assessed that the fair values of cash and cash equivalents approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value measurement hierarchy of all the Company's financial assets and liabilities is provided in note 9.

The following methods and assumptions were used to estimate fair values:

Valuation inputs include interest rates and yield curves observable at commonly quoted intervals, and 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').

9. Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's asset and liabilities.

Fair value measurement hierarchy for assets as at 31 December 2023:

	Date of valuation	Total $	Level 1 $	Level 2 $	Level 3 $
Financial assets at fair value through profit or loss					
Cash and cash equivalents	31 December 2023	45,026,322	-	45,026,322	-
US treasury bills	31 December 2023	22,087,281	22,087,281	-	-
Mortgage bonds	31 December 2023	5,994,220	-	5,994,220	-
Corporate bonds	31 December 2023	106,808,630	-	106,808,630	-
Futures derivative instruments	31 December 2023	11,914	11,914	-	-
Equity instrument at fair value through profit and loss	31 December 2023	20,212,474	-	-	20,212,474
Total		**200,140,841**	**22,099,195**	**157,829,172**	**20,212,474**

There were no transfers between Level 1 and Level 2 during 2023.

Fair value measurement hierarchy for assets as at 31 December 2022 (restated):

	Date of valuation	Total $	Level 1 $	Level 2 $	Level 3 $
Financial assets at fair value through profit or loss					
Cash and cash equivalents	31 December 2022	129,241,832	-	129,241,832	-
US treasury bills	31 December 2022	6,869,559	6,869,559	-	-
Mortgage bonds	31 December 2022	5,320,663	-	5,320,663	-
Corporate bonds	31 December 2022	126,025,923	-	126,025,923	-
Futures derivative instruments	31 December 2022	-	-	-	-
Equity instrument at fair value through profit and loss	31 December 2022	-	-	-	-
Total		**267,457,977**	**6,869,559**	**260,588,418**	**-**

There were no transfers between Level 1 and Level 2 during 2022.

Fair value measurement hierarchy for liabilities as at 31 December 2023:

	Date of valuation	Total $	Level 1 $	Level 2 $	Level 3 $
Financial liabilities at fair value through profit or loss					
Futures derivative instruments	31 December 2023	-	-		-
Repos	31 December 2023	11,201,861	-	11,201,861	-
Total		**11,201,861**	**-**	**11,201,861**	**-**

There were no transfers between Level 1 and Level 2 during 2023.

Notes to the financial statements

Fair value measurement hierarchy for liabilities as at 31 December 2022 (restated):

	Date of valuation	Total $	Level 1 $	Level 2 $	Level 3 $
Financial liabilities at fair value through profit or loss					
Futures derivative instruments	31 December 2022	3,031	3,031	-	-
Repos	31 December 2022	74,066,625	-	74,066,625	-
Total		**74,069,656**	**3,031**	**74,066,625**	**-**

There were no transfers between Level 1 and Level 2 during 2022.

10. Gains/(losses) on financial assets/liabilities at fair value through profit or loss

	2023 $	2022 Restated $
Fair value gains/(losses) on financial assets at fair value through profit or loss	11,193,910	-
Fair value gains/(losses) on financial liabilities at fair value through profit or loss	-	(5,285,316)
Total gains/(losses) on financial assets/liabilities at fair value through profit or loss	**11,193,910**	**(5,285,316)**

11. Trade and other receivables

	2023 $	2022 $
Trade receivables	-	213,246
VAT recoverable	138,700	56,147
Other receivables	11,909,118	125,771
Total receivables	**12,047,818**	**395,164**

An amount of $8,835,000 is included in the other receivables, which relates to the cash held at the broker. Before the year end a transfer was made to the PIMCO Commercial Property Real Estate Fund that was only formally called post year end. The remaining other receivables include accrued income from guarantee fee income.

12. Cash and cash equivalents

	2023 $	2022 $
Cash at bank	**6,188,853**	**4,420,476**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is $6,188,853 (2022: $4,420,476).

13. Issued capital

Authorised shares
Ordinary shares of $1 each, 170,000,000 (2022: 200,000,000).

Redeemable preference shares of $1 each, 30,000,000 (2022: nil) (classified as liability).

Issued and fully paid ordinary shares

	2023 Number	2023 $	2022 Number	2022 $
Ordinary shares of $1 each				
At 1 January	200,000,000	200,000,000	200,000,000	200,000,000
Ordinary shares conversion to redeemable preference shares	(30,000,000)	(30,000,000)	-	-
At 31 December	**170,000,000**	**170,000,000**	**200,000,000**	**200,000,000**
Redeemable preference shares of $1 each				
At 1 January	-	-	-	-
Ordinary shares conversion to redeemable preference shares	30,000,000	27,771,698	-	-
At 31 December	**30,000,000**	**27,771,698**	**-**	**-**

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Redeemable preference shares rank pari passu with the ordinary shares in respect of voting and income rights. On return of capital or winding up, the redeemable preference shares shall rank in priority to the ordinary shares. The shares confer the right of redemption.

On 5 December 2023 30 million ordinary shares were converted at par to redeemable preference shares.

The holder is entitled to require MedAccess to cancel and return the capital within 24 months of the receipt of a Capital Return Notice. On the 11 December 2023, a notice was issued requiring the cancellation of 30,000,000 preference shares and the return of capital by 30 June 2025. Accordingly, the liability has been measured at the present value of the amount to be paid at settlement. Interest will be accrued at the market rate of interest for a similar preference share using the effective interest rate (EIR) method. Any changes in the present value of the amount to be paid will be recognised through the profit and loss.

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

	2023 $	2022 $
Trade payables	151,238	157,818
Accruals	1,610,496	1,665,438
Deferred income	2,261,801	1,167,530
Other payables	165,774	154,764
Total trade and other payables	**4,189,309**	**3,145,550**
Amounts owed to group companies	-	879,055
Total payables (current)	**4,189,309**	**4,024,605**

	2023 $	2022 $
Other payables	1,164,600	1,057,447
Total other payables (non-current)	**1,164,600**	**1,057,447**

15. Redeemable preference shares

	2023 $	2022 $
Non-current		
Redeemable preference shares	**27,771,698**	**-**

On 5 December 2023, the Company issued 30 million redeemable preference shares with a par value of $1 per share. The shares are redeemable by means of a capital reduction at par on 30 June 2025.

The redeemable preference shares have been measured at the present value of the amount to be paid at settlement. Interest will be accrued at the market rate of interest for a similar preference share using the EIR method. Any changes in the present value of the amount to be paid will be recognised through the profit and loss. During the year an amount of $2,228,302 (2022: $nil) was recognised as a present value adjustment on the preference shares.

16. Administrative and other expenses

	2023 $	2022 $
Wages and salaries	3,391,708	3,238,833
Social security costs	546,213	423,685
Pension cost – defined contribution	281,112	261,969
Variable element of pay plan (VEPP)	806,180	957,026
Total employee benefits expense	**5,025,213**	**4,881,513**
Professional services	2,110,316	1,839,754
Auditor remuneration	97,981	90,596
Other administrative expenses	1,919,560	1,465,234
Total administrative and other expenses	**9,153,070**	**8,277,097**

The average monthly number of employees during the period was 22 (2022: 22). 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 four years, provided the person remains in the employ of MedAccess.

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

No non-audit services were provided during the year.

The aggregate of Directors' emoluments is presented below:

	2023 $	2022 $
Salaries, fees, bonuses and benefits in kind	556,518	518,949
Amounts receivable under long-term incentive plans	248,509	239,787
Total Directors' emoluments	**805,027**	**758,736**

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

The highest paid director received remuneration of $437,491 (2022: $404,700).

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

	2023 $	2022 $
Directors fees	119,027	114,249
Salaries, fees, bonuses and benefits in kind	276,544	253,737
2022 VEPP paid in 2023	108,655	102,387
Amounts receivable under long-term incentive plans (other long-term benefits)	10,811	10,515
Pension	41,481	38,061
Total key management personnel compensation	**556,518**	**518,949**

Michael Anderson is the only Director included in key management personnel.

There are no post-employment benefits payable.

17. Other operating income

	2023 $	2022 $
Grants receivable	4,330,314	2,732,279
Sundry income	2,386	51
	4,332,700	**2,732,330**

Grants were received from two donors during the year. A grant was received 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, Tuberculosis and Malaria (GFATM). The grant became effective on 15 July 2021 and extends through 31 March 2024. The grant 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.

Grant funds of $871,987 have been received under a grant from the Bill and Melinda Gates Foundation (BMGF), through MedAccess Trust as the conduit, to support work on increasing the supply reliability and price stability of micronutrients in low and middle-income countries. The grant is effective from 1 October 2023 to 31 December 2027. The grant is used to cover staff costs, travel and consultant costs. A lump sum was received upfront, and the balance of the funds will be dispersed each March based on the donor's payment schedule and progress reports to be submitted to the donor. Grant funds received are recorded as deferred grant funds received and released to income as costs are incurred.

18. Interest receivable and similar income

	2023 $	2022 $
Interest income from financial assets at fair value through profit or loss	1,177,025	-
Bank interest receivable	40,569	-
Total interest receivable and similar income	**1,217,594**	**-**

The interest income on financial assets at fair value through profit or loss relates to the interest income earned from the PIMCO investments portfolio.

19. Interest payable and similar expenses

	2023 $	2022 $
Interest expense on financial liability at fair value through profit or loss	**247,137**	**-**

The interest expense on financial liabilities at fair value through profit or loss relates to the interest expense incurred from the PIMCO investments portfolio.

20. Taxation

	2023 $	2022 $
Corporation tax		
Current year charge	273,790	-
	273,790	**-**
Deferred tax		
Current year credit	1,824,082	(2,530,524)
Taxation on profit/(loss) on ordinary activities	**2,097,872**	**(2,530,524)**

Factors affecting tax charge for the year

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes, if any, at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

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

	2023 %	2022 %
UK Corporation rate	23.5	(19.0)
Effect of:		
Income not taxable for tax purposes	-	-
Recognition of deferred tax asset on temporary timing differences	-	-
Remeasurement of deferred tax for changes in tax rates	1.3	(6.0)
Adjustments in respect of previous periods	-	0.0
Effective tax rate for the year	**24.8**	**(25.0)**

21. 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 as at 31 December were as follows:

	2023 $	2022 $
Statement of comprehensive income		
Service level agreement fees (administrative and other expenses)	15,854	47,128
Statement of financial position		
Amounts due to British International Investment plc	**-**	**(879,055)**

22. 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.

Interest rate exposures

	Fixed rate $	Floating rate $	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 2023	-	45,026,322	45,026,322	-	-	-
31 December 2022	-	129,241,833	129,241,833	-	-	-

Liquidity risk

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

	Financial assets at fair value $	Trade receivables $	Other receivables $	Total $
Financial assets: Maturity profile				
On demand	-	-	-	-
Due within one year, but not on demand	179,928,367	-	11,909,118	191,837,485
Due between one and five years	20,212,474	-	-	20,212,474
31 December 2023	**200,140,841**	**-**	**11,909,118**	**212,049,959**
On demand	-	-	-	-
Due within one year, but not on demand	267,457,977	213,246	125,771	267,796,994
31 December 2022	**267,457,977**	**213,246**	**125,771**	**267,796,994**

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

	Trade payables $	Accruals $	Amounts due to parent company $	Other payables $	Financial liabilities at fair value $	Redeemable preference shares $	Total $
Financial liabilities: Maturity profile							
On demand	-	-	-	-	-	-	-
Due within one year, but not on demand	151,238	1,610,496	-	-	11,201,861	-	12,963,595
Due between one and five years	-	-	-	1,164,600	-	27,771,698	28,936,298
31 December 2023	**151,238**	**1,610,496**	**-**	**1,164,600**	**11,201,861**	**27,771,698**	**41,899,893**
On demand	-	-	-	-	-	-	-
Due within one year, but not on demand	157,818	1,665,438	879,055	-	74,069,656	-	76,771,967
Due between one and five years	-	-	-	1,057,447	-	-	1,057,447
31 December 2022	**157,818**	**1,665,438**	**879,055**	**1,057,447**	**74,069,656**	**-**	**77,829,414**

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

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:

	2023 $	2022 $
Functional currency		
GBP	**5,831,140**	**3,806,650**

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 2023 is as follows:

	2023 $	2022 $
Currency		
USD	213,676,614	202,043,568
GBP	(4,679)	42,555
Euro	(6,952)	4,346
CAD	8,435	(6,684)
JPY	348	19,222
AUD	1	1

The above also includes the PIMCO portfolio currency exposure.

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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, borrowings and amounts payable by MedAccess to its parent company.

23. 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 22 for a 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:

	2023 $	2022 $
Bank and cash balances	6,188,853	4,420,476
Current financial assets at fair value through profit or loss	179,928,367	267,457,977
Debtors due within 1 year	3,074,118	339,015
Total	**189,191,338**	**272,217,468**

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 was seen 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 $1,577,396 (2022: $1,986,737).

Notes to the financial statements

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 $5,831,140 (2022: $3,806,650) as at 31 December 2023. This cash balance is used to settle Sterling-denominated salary and operating costs.

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 $583,114 (2022: $380,665).

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.

24. Restatement of prior year disclosures

During 2022, the Company presented its held for trading portfolio as one unit of account rather than assessing the portfolio as financial assets and financial liabilities and presented them separately as they do not meet the offsetting requirement. In 2023, the Company conducted a detailed review of the terms and conditions of its held for trading portfolio and discovered the error.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, whereby financial assets at fair value through profit or loss has been presented separately from financial liabilities at fair value through profit or loss. This error did not give rise to the need to correct the recognition and measurement basis of the financial instruments as the associated financial instruments were all correctly recognised and measured at fair value through profit or loss.

Impact on statement of financial position:

	As previously stated $	As restated $
31 December 2022		
Short-term investments	193,388,321	-
Financial assets at fair value through profit or loss	-	267,457,977
Total assets	**193,388,321**	**267,457,977**
Financial liabilities at fair value through profit or loss		(74,069,656)
Total liabilities	**-**	**(74,069,656)**

The correction of error has resulted in no impact on equity as at 1 January 2022 and 1 January 2023.

Photography credits

Front cover: © UNICEF / Washington Sigu, Kenya – A view of a refrigerator where malaria vaccine vials are being stored at Kisumu Airport Health Centre.

03: © TB Alliance / Dato Koridze, Georgia – Doctor in Tbilisi, Georgia test patient samples for signs of drug-resistant TB.

05: © UNICEF / Laxmi-Prasad-Ngakhusi, Nepal – Birma Devi Kunwar takes Johnson & Johnson COVID-19 vaccines (donated by the USA) from the district store to the Pipalchauri Health Post in Darchula District.

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15: © PATH / Conner House, Vietnam – Partnering with the Vietnam National Institute of Malariology, Parasitology and Entomology to conduct training for an operations research study on point-of-care G6PD testing.

20: © UNICEF / Washington Sigu, Kenya – Health worker Sharon Mito inspects malaria vaccines being stored at Kisumu Airport Health Centre.

25: © BASF / Xiao Nan – A warehouse full of mosquito nets manufactured by BASF.

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35: © TB Alliance / Brendan Hoffman, Ukraine – A clinician in Ukraine showing test results to a patient with drug-resistant TB.

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45: © TB Alliance / Jonathan Torgovnik, South Africa – A patient with drug-resistant TB at his home in Soweto, South Africa.

Back cover: © The Global Fund / Vincent Becker, Tanzania – Domisiana Ndunguru installs a mosquito net in her home in Rusesa, to protect her daughter Giovanna from malaria.

MedAccess

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