Annual Report and Financial Statements

JULY 2023 — JUNE 2024

2024

Bioventix

Company information

Directors
Peter Harrison
Ian Nicholson
Nick McCooke
Bruce Hiscock
Joanne Pisani

Company secretary
Cargil Management
Services Limited

Registered number
04923945

Registered office
27–28 Eastcastle Street
London W1W 8DH

Independent auditors
Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
2nd Floor, 168 Shoreditch High Street
London E1 6RA

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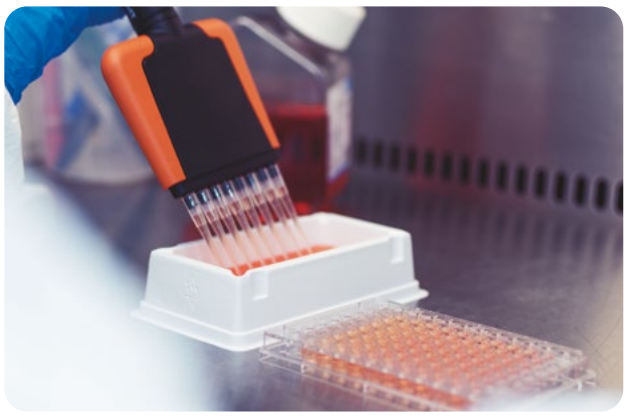


Chairman and Chief Executive's Statement

"Over the past 20 years, we have created and supplied approximately 25 different SMAs that are used by IVD companies around the world."

Introduction and Technology

Bioventix creates, manufactures and supplies high affinity sheep monoclonal antibodies (SMAs) for use in diagnostic applications. Bioventix antibodies are preferred for use when they confer an improved test performance compared to other available antibodies.

Most of our antibodies are used on blood-testing machines installed in hospitals and other laboratories around the world. Bioventix makes antibodies using our SMA technology for supply to diagnostic companies for subsequent manufacture into reagent packs used on blood-testing machines. These blood-testing machines are supplied by large multinational in vitro diagnostics (IVD) companies such as Roche Diagnostics, Siemens Healthineers, Abbott Diagnostics and Beckman Coulter. Antibody-based blood tests are used to help diagnose many different conditions including, amongst others, heart disease, thyroid function, fertility, infectious disease and cancer.

Testosterone is an example of a blood test where a Bioventix SMA has facilitated an improved test. In 2003, it became clear that testosterone tests performed on automated IVD platforms were deficient. Whilst the higher levels of testosterone in healthy adult males were accurately reported, the lower levels of testosterone in pre-pubescent boys and women were inaccurately reported. In 2005, Bioventix created an antibody called testo3.6A3 which was evaluated by customers during 2006. Evaluations were successful and following the necessary regulatory approvals, the first testosterone assays based on testo3.6A3 were launched in 2009. A number of IVD companies still use this antibody for revised tests that more accurately measure lower levels of testosterone.

Over the past 20 years, we have created and supplied approximately 25 different SMAs that are used by IVD companies around the world. We currently sell a total of 15–20 grams of purified physical antibody per year, which accounts for 25–30% of our annual revenue. In addition to revenues from these physical antibody supplies, the sale by our customers of diagnostic products (based on our antibodies) to their downstream end-users attracts a modest percentage royalty payable to Bioventix. These downstream royalties currently account for the remaining 70–75% of our annual revenue.

Bioventix adopts one of two commercial approaches when creating new antibodies. The first is own-risk antibody creation projects; this approach gives Bioventix the complete freedom to commercialise the antibodies produced. The second is contract antibody creation projects, in partnership with customers who supply materials, know-how and funding; this approach creates antibodies that can only be commercialised with the partner company. In both cases, after initiation of a new project, it takes around a year for our scientists to create a panel of purified antibodies for evaluation by our customers. The evaluation process at customers' laboratories generally requires the fabrication of prototype tests which can be compared to other tests, for example, the customer's existing commercial test or perhaps another "gold standard" method, on the assay machine platform being considered. The process of subsequent development thereafter by our customers can take many years before registration or approval from the relevant authority, for example, the US Food and Drug Administration (FDA), the Medicines and Healthcare products Regulatory Agency (MHRA), or EU authorities, is obtained and products can be sold to

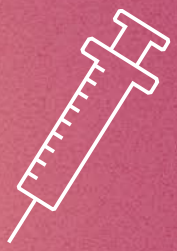
the benefit of the customers, and of course Bioventix, through the agreed sales royalty. This does mean that there is a lead time of 4–10 years between our own research work and the receipt by Bioventix of royalty revenue from product sales. However, because of the resource required to gain such approvals, after having achieved approval for an accurate diagnostic test using a Bioventix antibody, there is a natural incentive for continued antibody use. This results in a barrier to entry for potential replacement antibodies which would require at least partial repetition of the approval process arising on a change from one antibody to another. This barrier to antibody replacement arises from a combination of factors driven by the clinical criticality of the test and the potential consequences of making such a change, which include the time and cost to register any changes required to validate the performance of the replacement antibody.

Another consequence of the lengthy approval process is that the revenue for the current accounting period is derived largely from antibodies created many years ago.

Antibodies and Blood Testing

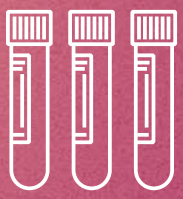
Bioventix creates and manufactures sheep monoclonal antibodies (SMAs). Customers incorporate these antibodies in reagent packs for use on automated blood-testing machines. Superior antibodies can facilitate improved tests. Bioventix sells liquid "physical" SMAs and derives royalties from their downstream use.

Blood testing



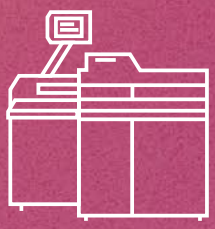
01. Blood testing

01. Antibody

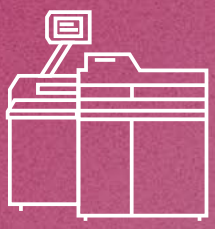


02. Vacutainer

02. Diagnostic reagent pack



03. Automated blood-testing machine



03. Automated blood-testing machine

Antibodies and Business Dynamics

Projects can be internally driven or sponsored by customers. Bioventix takes about one year to create new antibodies. Even for established diagnostics, customers take two to four years to prototype tests, conduct field trials, submit regulatory data and obtain marketing approval. This imposes a gap between research and revenue growth but introduces a barrier that delivers continuity of longer-term recurring revenues.

+ 1 year

01. Product idea

02. Sheep work

03. Antibody creation

04. Purified antibody

4–10 years

01. Antibody purified

02. Prototype reagent pack

03. Customer development work

04. Product registration

2023/24 Financial Results

We are pleased to report our results for the financial year ended 30 June 2024. Revenues for the year increased by 6% to £13.6 million (2022/23: £12.8 million). Profits before tax for the year increased by 5% to £10.6 million (2022/23: £10.1 million). Cash balances at the year-end were £6.0 million (30 June 2023 £5.7 million).

Our most significant revenue stream continues to come from the vitamin D antibody called vitD3.5H10. This antibody is used by a significant number of diagnostic companies around the world for use in vitamin D deficiency testing. Sales of vitD3.5H10 increased by 1% to £5.9 million which reflects analysts' expectation for a relatively mature global IVD market.

Sales of our other core historic antibodies are featured below with the respective percentage increase/ decrease (+/-) in sales compared to the previous year 2022/23:

- T3 (tri-iodothyronine): £1.38 million (+21%)
- biotins and biotin blockers: £1.14 million (+35%);
- progesterone: £0.63 million (-15%)
- estradiol: £0.52 million (-7%)
- testosterone: £0.33 million (-29%)
- drug-testing antibodies: £0.32 million (-21%).

During the year the Company became aware that, due to a customer error in the incorrect application of a historic royalty percentage, they had overreported and overpaid troponin royalty revenues since July 2021. Royalty revenues for the financial years 2021/22 and 2022/23 were overstated by £132k and £195k respectively. These amounts are immaterial in respect of each of the affected periods and therefore the Company is not required to restate the audited financial statements for those years; however, the cumulative effect of a reduction of £327k in respect of such royalty revenue has been included in the financial statements for the current year to 30 June 2024.

After correctly allocating the revenue to each of the years 2023/24 and 2022/23, our total troponin antibody royalty revenue from Siemens Healthineers and another separate technology sub-license increased by 3% during the year from £1.41 million to £1.45 million. The level of these royalties and their growth are below our previous expectations based on downstream assumptions.

In contrast to the disappointment of troponin sales in the current application of acute chest pain (ie suspected heart attack in A&E centres), we are pleased to note that Siemens have received FDA approval for a revised label claim for their troponin assay that covers a new prognostic application. This enables troponin levels to be measured in "at risk" patients and/or patients who have already been diagnosed with a cardiac condition, whose troponin levels may now be measured to assess their impending risk of a future adverse cardiac event. This risk information can then be used to help clinicians consider additional diagnostic procedures or to review therapeutic alternatives. We expect that this new application will stimulate additional troponin assay use and our associated royalties, thus increasing the market opportunity. As previously disclosed, Siemens troponin revenues will terminate for contractual reasons in June 2032.

Our shipments of physical antibody to China continued to increase. Some sales are made directly and some are made through five appointed distributors. More regulatory approvals for domestic Chinese customers using our antibodies have been registered, leading to more significant flows of royalty payments flowing from these customers.

Chinese customers declare and pay royalties in arrears on a calendar year basis and we therefore have to accrue for such revenue, in both full year and interim results, basing our revenue expectation on previous experience. As a result of internal and external audit processes, it was only in May 2024 that we received payment from a Chinese customer for the royalties earned in 2023 and therefore our revenue for 2023/24 has benefited by £239k from our prudent assessment of accrued royalty revenue in respect of previous periods.

The prospects for further short term growth in China are good. Longer term, price pressures and continued antibody technology development in China constitute an anticipated threat. In addition to this, the current global geopolitical climate has stimulated the desire for

"on-shoring" supply chains and our Chinese customers are likely to be influenced by this trend.

Our research into Tau antibodies and Alzheimer's diagnostics continues to progress and we are delighted that our early work has now translated into a modest revenue stream from antibodies now entering commercial manufacture. Our commercial policy is to supply initial evaluation samples of antibodies free of charge. If antibodies perform well on prototype assay systems at our IVD customers and additional supplies are ordered, these are charged at regular prices and such repeat sales have generated revenues during the year. These revenues are not only additive but also indicate that our antibodies could feature in future commercial assays. In additional to our conventional IVD customers, we have also supplied antibodies to specialist platform customers, for example Quanterix Corporation who specialise in assays for the research market. The research market is established earlier than more regulated tests for routine clinical use and it is pleasing that royalty revenues from such activities have already been established. Total Tau revenues for the year were above our expectation at £155k.

We estimate that 50–60% of our total sales are directly linked to US Dollars via physical product pricing in US Dollars or indirectly linked to US Dollars via royalties based on downstream US Dollar sales. The remainder of the currency split is dominated by Euros and important Asian currencies. Our view continues to be that hedging mechanisms would not, in the longer term, add value and may have the potential to add risk to our business. Consequently, future movements in exchange rates may therefore affect our Sterling revenues.

Cash Flows and Dividends

As reported above, the performance of the business during the year generated cash balances at the year-end of £6.0 million and royalties received during quarter 3 of 2024 have added to this balance.

Increases in the rate of Corporation Tax from 19% to 25%, effective from 1 April 2023, have had a full year impact on profit after tax, EPS, cashflow and dividends for the year to 30 June 2024.

In consideration of our established dividend policy and the available cashflows, the Board is pleased to announce a second interim dividend of 87 pence per share which, when added to the first interim dividend of 68 pence per share makes a total of 155 pence per share for the current year.

Accordingly, a dividend of 87 pence per share will be paid in November 2024. The shares will be marked ex-dividend on 7 November 2024 and the dividend will be paid on 21 November 2024 to shareholders on the register at close of business on 8 November 2024.

Research and Future Developments

Over the last few years, a considerable amount of our laboratory resource has been allocated to the Tau project and Alzheimer's disease (AD) diagnostics. AD is a complex disease that manifests itself differently across the patient population. At a cellular level, nerve cells (neurons) become associated with amyloid (A) plaques that build up outside the neurons. This is followed by the build-up of Tau (T) tangles inside the neurons. These pathological processes then result in neuronal cell death and the symptoms of neurodegeneration (N) that accompany this. This "ATN" framework is used by neurologists to define the AD pathway that progresses for many years before patient symptoms become more obvious.

Recently, the approval of first generation AD therapeutics (Lecanemab™ jointly developed by EISAI and Biogen, and Donanemab™ from Eli Lilly) have changed the perception of AD therapy, and it is likely that second generation therapeutics, or combination therapies will further help to slow the disease process. Patients presenting early in the ATN pathway appear to benefit most from therapy. Therefore, ATN assessments can be used not only to screen for patients suitable for therapy but also for monitoring patients whilst on therapy.

The ATN status of patients can be defined with the use of PET scans using appropriate amyloid and/or Tau contrast agents together with other assays for biomarkers in cerebral spinal fluid. It would be highly desirable if such diagnostic procedures could be replaced or augmented with cheaper and more convenient blood tests.

Bioventix has been working with the University of Gothenburg since early 2020 to create new antibodies to Tau and to develop prototype assays for use in AD. The view of many neurological opinion leaders – and shared by our IVD customers – is that blood-testing machines will soon offer a panel of new neurological tests that will reveal information about patient brain health which will be useful for screening and therapy monitoring purposes.

We have supplied a number of major IVD companies with antibodies from our growing Tau antibody portfolio. It is encouraging that a small number of these companies have requested additional quantities of the antibodies supplied. Not only does this add modestly to our overall revenues but it also offers some

encouragement that our antibodies will play some part in the future neurological panel offerings of our customers.

Whilst our major IVD customers' primary interest is in developing regulated tests for routine clinical use, expert neurology centres are already adopting "research use only" tests in advance of the availability of other tests through hospital-orientated IVD companies. Some of these R&D tests are run on Quanterix Corporation (Billerica, MA) machines and our partnership with Quanterix has resulted in one commercial R&D test for neurodegeneration (N) that uses an SMA and which has generated on-going royalty revenues.

Pre-Diagnostics (in Oslo) and their clinical collaborators have two amyloid beta assays based on Bioventix antibodies available for research use. A current focus for Pre-Diagnostics is ARIA (amyloid related imaging abnormality) which is an important side-effect of new anti-amyloid drugs for Alzheimer's. Pre-Diagnostics, assays relate to amyloid metabolism and could help screen for ARIA vulnerable patients, before or during treatment.

Our partners at CardiNor (also in Oslo) have continued with their work to try and identify the possible utility of secretoneurin in heart failure patients. This has not progressed successfully and CardiNor are currently restructuring both their operations and their financial position. We have accordingly taken the decision to write off the entire cost of our investment in CardiNor of £183k which we made between July 2016 and June 2020.

Our pyrene lateral flow system for industrial pollution biomonitoring is proceeding steadily as planned. We have now completed a second manufacturing batch of lateral flow cassettes and intend to conduct a field trial with firefighters during 2025. The follow-on project for benzene exposure has also progressed and lateral flow assay development has recently commenced.

Benzene exposure is known to be carcinogenic and is of relevance to the petroleum industry. An additional industrial pollution biomonitoring project featuring isocyanates (hazardous chemicals used in the manufacture of polyurethane paints and plastics) has also progressed well and lateral flow assay development is due to start early in 2025.

We have recently embarked on a new project focussing on sewage contamination of rivers and lakes. Drugs contained in sewage such as paracetamol and caffeine have each previously been used in research labs as a convenient surrogate marker of sewage in waterways. The project concept is to harness our experience with sandwich antibodies, lateral flow systems, together with phone app technology, to facilitate rapid riverside tests, the results of which can be uploaded, pooled and shared. This will allow for much greater intensity and geographical coverage of analysis that will be available to all the many interested parties. Antibodies have already been made for this application and lateral flow assay development is due to commence soon.

The industrial biomonitoring and water pollution projects have required significant external expenditure during the year of approximately £200k. As we develop the projects, we expect this expenditure to continue and grow modestly into the future. Using our cash resources to support the steady internal organic growth of our business has been a consistent feature of our strategy.

Future Strategy

We have previously identified diagnostic biomarkers that we believe suit our antibody technology and have found academic collaborators who have seen merit in working with Bioventix. The Tau project and our collaboration with the University of Gothenburg is an excellent example of this strategy and we will seek additional such opportunities in the future.

We will continue to rely on our core SMA antibody creation technology which consistently helps us to create superior antibodies for our research projects. We are also incorporating additional newer technologies where such technologies are helpful to us. We have successfully created novel "sandwich" assay formats for small molecules, using a combination of primary SMA technology and a secondary synthetic "anti-complex" antibody, created using the "antibody library" technology of a third party. We have recently created new sandwich systems for benzene and isocyanates (to be more precise, the urine metabolites of these chemicals), in addition to caffeine and paracetamol, to add to previous successes with pyrene and THC/cannabis.

The Bioventix Team and Facility

The composition of the Bioventix team of 12 full-time equivalents (14 staff in total) has remained stable over the year, facilitating excellent performance and know-how retention.

"We are very fortunate to have such a dedicated and loyal team and we are grateful to them for their continued enthusiastic input and support."

This level of stability has formed an excellent base upon which we have been able to build our new products moving into the exciting new areas described above. We are very fortunate to have such a dedicated and loyal team and we are grateful to them for their continued enthusiastic input and support.

Nick McCooke has recently informed the Board that he wishes to step down as a director of Bioventix plc and accordingly Nick will not be seeking re-appointment as a director at the Company's forthcoming Annual General Meeting. The Board would like to acknowledge Nick's exceptional contribution to Bioventix plc since his appointment to the Board in January 2014. Nick's acumen, experience, independence of thought and wisdom are all highly valued by his fellow directors and the business and have played a full part in the Company's progress and success over the last 10 years. We are very grateful to him and wish him a very happy retirement. As is described in the Nomination Committee report, the Board will seek to appoint a further independent Non-Executive Director in due course.

Conclusion and Outlook

We are pleased with our financial results for the year, which we believe reflect steady growth in the use of our established products in more mature diagnostic markets. We remain very encouraged by the very early signs of success for our Tau/ Alzheimer's antibodies and we look forward to more progress into the future.

Peter Harrison
Chief Executive Officer

Date
25 October 2024

Ian Nicholson
Non-Executive Chairman

Date
25 October 2024

Strategic Report

Business Review

Please refer to the full business review which is covered in the Chairman and Chief Executive's statement on pages 01 to 13 and forms an integral part of the Strategic Report.

Principal Risks and Uncertainties

Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List. An investment in the Company's shares may be difficult to realise. Prospective investors should be aware that the value of the Company's shares may go down as well as up and that the market price of the Company's shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Volatility of share price

The trading price of the Company's shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Company's markets. These fluctuations may adversely affect the trading price of the Company's shares, regardless of the Company's performance.

Dependence on key employees

The Company's future success is substantially dependent on the skill, talent, continued services and performance of its senior management and other key personnel in the various areas of the Company's business. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre, could have a significant adverse effect of the business of the Company.

To help to mitigate this risk we provide employees with competitive remuneration packages and incentive rewards as well as inviting them to share in the growing value of the Company through approved share options schemes. In addition, we have prioritised the wellbeing of our team and have introduced measures to support employee health and wellbeing.

Technology

For SMAs that are in the research and development phase at Bioventix's customers, there is a risk of technical failure. This can occur as assays fail to perform with the desired precision. Failure can also arise when external "field trials" in clinical settings using prototype assays identify patient samples that give erroneous results.

For projects at the early phase of Bioventix's pipeline and others that may feature in the medium to long term, there is a risk that new antibody technologies available to third party companies eclipse Bioventix's SMA technology and these new technologies produce superior antibodies. An example of such technologies includes monoclonal antibodies from rabbits.

The Company may come to face competition from other businesses that possess skills and technologies that are not known or available at present. Such competition could prevent the Company from achieving sales. Future advancement in associated technologies may enable competitors to develop antibody products or technologies that make Bioventix's technology obsolete.

The Company may also face claims that its use of its technology infringes the intellectual property rights of others and may become involved in legal proceedings in connection with such claims. The Company may also generally face legal proceedings in the course of its business. The Company cannot preclude the possibility that litigation may be brought against it from time to time. Any such claims, legal proceedings and litigation may have a material adverse effect on the financial performance, the business of the Company or both. The Company's insurance may not cover all or any part of any claims which customers or third parties may bring against the Company or may not be sufficient to protect the Company against any liability that may be imposed on it.

Regulatory environment

The medical diagnostics field in which the Company operates is highly regulated. Whilst the Company's antibodies are not themselves regulated, the tests in which they are used by the Company's customers must be approved by regulatory bodies such as the US Food and Drug Administration before they can be commercialised. Achieving and maintaining such approval by Bioventix's customers is therefore necessary to the continued success of the Company.

Distribution risk

Bioventix's antibodies are derived from sheep and therefore might be regarded as a sheep-derived product. Any future restriction on the distribution, import, export and use of sheep products or sheep-derived products that might be imposed by government or other authorities for whatever reason could materially affect Bioventix's business.

Market risk

In recent years there has been a process of consolidation in the IVD market through mergers and acquisitions of the blood-testing machine manufacturers who are Bioventix's customers. Such activity can result in the rationalisation of product offerings by such suppliers. Therefore, blood-testing machines that feature Bioventix antibodies could be replaced by other machines that do not. Even in the absence of such mergers and acquisitions, blood-testing machines may be developed by a customer such that assays featuring Bioventix antibodies are withdrawn or replaced.

Competition

Whilst the Company does not operate under granted patents, the directors believe that the Company has a significant set of know-how and skills that is unique. The Company may face competition from companies in business at present or those not yet established that are or will be better funded, staffed or equipped than the Company. There is also a risk that the Company's principal target customers (blood-testing machine manufacturers) may choose to use alternative antibodies. Competition from any source could adversely affect the Company's ability to generate income.

Financial Risk Management

Foreign exchange risk

The majority of the Company's revenues are denominated in either US Dollars or Euros whilst the majority of its operating costs are in Sterling. The Company is therefore exposed to significant foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates and increases or decreases in the Sterling value of revenues which may be material and may also cause fluctuations in reported financial performance and information that are not necessarily related to the Company's operating results.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Credit risk

The main credit risk of the Company is attributable to its trade debtors. The amounts in respect of trade debtors presented in the Statement of financial position are net of any bad debt provision.

Interest rate risk

The Company has been profitable and generated cash and has not required borrowing to fund its activities; the interest rate risk is therefore deemed to be low, and there are no specific policies in place to review or mitigate risks relating to changes in interest rates.

Revenue, price and cost risk

The Company's key income stream is that of royalties; a contractual obligation due by the customer to Bioventix plc, the value of which is determined as a percentage of the sales values generated over a defined period by those customers from their products that utilise antibodies created by Bioventix plc. Royalty rates are set at the start of the royalty agreement with each customer and any exposure to sales price risk is linked solely to the revenues generated by the Company's customers.

The value of royalties due is calculated, declared and paid by customers. The receipt of funds by Bioventix plc, in respect of royalties, is taken as strong evidence that such revenue is due and has been correctly recorded and Bioventix plc is reliant upon the accuracy of customer's calculations in its reporting of royalty revenue and the correct recognition of such revenue both in terms of its value and its timing. There is a risk, should customers make errors in the calculation and payment of royalties, that such revenue may be misstated in the financial statements either in the timing of revenue recognition or of the quantum of such revenue.

The key cost to the Company is that of staff, their remuneration and associated costs and these are manageable cost risks.

Liquidity risk

The Company maintains a strong cash balance, and always looks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and that cash is invested safely and profitably. Short-term flexibility is achieved by the use of money markets to place excess cash, which is not required in the foreseeable future, in interest earning deposit accounts with UK high-street banks; such deposits are made for varying terms. The directors prepare rolling cashflow forecasts on a regular basis.

COVID-19

There continue to be global implications of the COVID-19 pandemic. These may affect the Company's revenue and profitability. COVID-19 has in the past adversely affected some routine diagnostic pathways and the willingness of patients with concerning symptoms to present to healthcare professionals. Should there be any delays in diagnosis and treatment that arise from the COVID-19 pandemic, or indeed another future pandemic, that may defer revenue from both the supply of antibodies and also the royalty revenue arising from their use in testing.

Brexit

There continue to be changes arising in the post Brexit arrangements surrounding the trading relationship between the United Kingdom and member states within the European Union. In the event of any new regulations being adopted, these could add complexity and delays to the Company's operations; however there is currently no indication that any renegotiation of or change in the United Kingdom's trading relationship with member states within the European Union will affect the regulations that are relevant to Bioventix plc.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent to which it has distributable reserves and cash available for this purpose. The Company can give no assurance to shareholders that it will, or will not be able to, pay dividends in the future.

Financial Instruments

The Company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the Company's operations.

Due to the nature of the financial instruments used by the Company there is exposure to exchange rate fluctuations, but no other significant price risk. The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risks are managed conservatively by maintaining deposits of short to medium duration in high-street banks, thereby reducing the risk of financial default.

Trade debtors are managed in respect of credit by maintaining a regular dialogue with customers, the majority of whom are multinational diagnostics companies.

Risks in relation to exchange rate fluctuations are discussed on page 72.

Key Financials

YEAR	2023
TURNOVER (MILLION)	£12.816
PROFIT BEFORE TAX (MILLION)	£10.134
CASH BALANCES (MILLION)	£5.716

2024

£13.607

£10.603

£5.999

Financial Key Performance Indicators

Financial key performance indicators

	2024 £	2023 £
Turnover	13,606,584	12,816,225
Profit before tax	10,602,849	10,134,443
Cash balances	5,998,953	5,715,819

Revenues for the year of £13.607m (2023: £12.816m) were 6.16% higher than the previous year. Profits before tax have increased by 4.62% year on year.

Cash balances at 30 June 2024 of £6.0m (2023: £5.72m) have increased over the year.

The Company monitors various financial key performance indicators as part of its accounting and management reporting processes.

The directors do not anticipate any material change in the nature of the Company's operations in the foreseeable future.

Other key performance indicators

The future growth of the Company relies on its research and development activities creating and being able to manufacture unique antibodies, that are required by our customers. The directors review and discuss the strategy and performance of our research and development regularly throughout the year.

The Company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn is expected to ensure the delivery of its core objectives of sustained real growth in future profitability.

In a company this size, the directors consider that there are collectively numerous non-financial performance indicators but none individually are key.

Directors' statement of compliance with duty to promote the success of the Company

The directors are clear on their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of Bioventix plc ("the Company") for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The directors are committed to effective and meaningful engagement with our key stakeholders. The directors seek to actively identify and positively engage with key stakeholders in open and constructive dialogues. We believe that such engagement is critical to the long term success of the Company and, by canvassing and understanding the perspectives of our stakeholders and building good relationships, the Board is able to take their views into account in discussions and decision-making.

Further details are contained in the Sustainability Report and the Governance Report on pages 30 to 46.

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

Peter Harrison
Director

Date
25 October 2024

Directors' Report

The directors present their report and the financial statements for the year ended 30 June 2024.

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

The principal activity of the Comany during the year was that of the development and supply of antibodies.

Business review

The Company is required to produce a business review complying with the requirements of the Companies Act 2006. This can be found in the Chairman and Chief Executive's statement on pages 01 to 13. In addition to this, information on the principal risks and uncertanties and key performance indicators can be found in the strategic report within pages 14 to 23.

Research and development

During the year research and development costs were incurred of £999k (2023: £1,201k).

Dividends

The profit for the year, after taxation, amounted to £8,096,718 (2023: £8,372,241).

A dividend of 90p per share was paid in November 2023. This equated to £4,697,690 (November 2022: £5,209,333).

The Board have declared and paid an interim dividend of 68p per share in April 2024. This equated to £3,549,366 (April 2023: £3,233,725).

Following the end of the year, a dividend of 155p per share has been declared.

Substantial shareholdings

Shareholdings in the Company of greater than 5% excluding directors' shareholdings, which are disclosed on page 52, as advised at 24 October 2024 are as follows:

Holder	%
Gresham House Asset Management Limited	11.1
Liontrust Asset Management Plc	11.0
Sandford DeLand Asset Management Ltd	10.9
Hargreaves Lansdown Stockbrokers	7.0
Rathbone Investment Management Ltd	6.2
Schroders Investment Management Ltd	5.5

Directors

The directors who served during the year were:

Peter Harrison
Ian Nicholson
Nick McCooke
Bruce Hiscock
Joanne Pisani

Directors' third party indemnity provisions

During the year the Company had in place Directors and Officers Insurance.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

The auditors, Kreston Reeves, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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

Ian Nicholson
Director

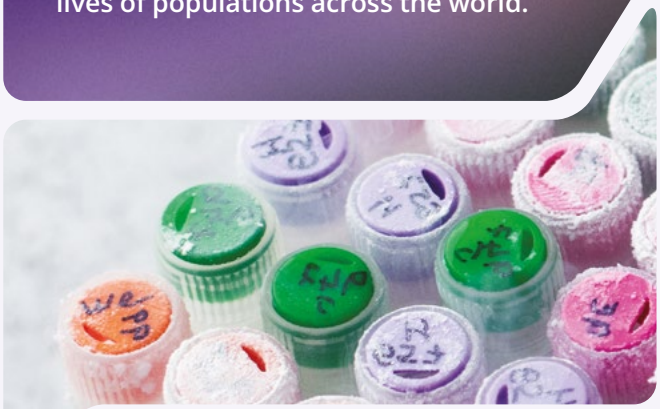
Date
25 October 2024

"Whilst Bioventix is a small organisation, we still consider a commitment to sustainability a core component of our culture."


LS3000

Sustainability Report

Our purpose at Bioventix is to create, manufacture and supply high affinity sheep monoclonal antibodies for use in diagnostic applications. The use of our products in IVD tests allows clinicians to accurately and economically diagnose and then appropriately treat life-changing diseases and conditions, thereby improving outcomes and the lives of populations across the world.



Bioventix is a small organisation; however we consider a commitment to sustainability a core component of our culture, along with our responsibility to act with the highest standards in all of our business dealings and interactions with stakeholders.

We therefore always aim to respect, protect and keep safe members of staff, customers, collaborators, partners, stakeholders and shareholders; protect the environment; and enhance the reputation of Bioventix in the markets where our products are used and in the communities in which we are present.

The application of these guiding values helps us to ensure that we provide a safe and fulfilling work environment with a strong culture of ownership and belonging, create a business with whom other like-minded businesses and individuals will wish to collaborate and trade, make a positive, sustainable, enduring, well-founded and demonstrable contribution to the communities in which we work and build value for our shareholders.

This Sustainability Report is divided into the three key areas of **Environmental, Social and Business Governance**. This report is then followed by the Governance Report.

Environmental

Although our products are used all around the world, Bioventix is a small organisation with laboratory and administration facilities in one location in the UK occupying circa 600 square metres. We employ 17 people, many on a part-time basis. Our environmental impact is therefore relatively small.

We do however recognise that making improvements in our work to further reduce our environmental impact is important and can have a cumulative effect. We aim to reduce our use of consumables to a minimum without compromising quality or safety.

Measuring and then improving the efficiency of our energy usage and reducing the energy we consume matters to us. In 2023/24 we have continued to collate greater detail on the energy we use, when we use it and how we use it. This information will allow us to identify further areas of improvement and to set some meaningful targets to reduce energy consumption at our laboratory in Farnham.

We adhere strictly to the specified maintenance schedules for laboratory and other equipment and

continue to ensure that any replacement equipment we require is selected not just on cost or operational performance but also takes into account our commitment to improve our water usage and energy efficiency. At our laboratory in Farnham the energy we use is sourced from our electricity supplier. We maintain a UPS backup diesel generator which provides for, and mitigates the risk of, any power outages and which, apart from our regular testing, was not used in 2023/24. We encourage all staff to reduce wastage, not to print unnecessarily, to optimise the use of lighting and heating and cooling units, and to switch off any electrical equipment when not in use.

The travel restrictions in place during the COVID-19 pandemic led to the greater adoption of technology to facilitate meeting business partners based around the world. However, we consider that face-to-face interaction with customers and physical presence at industry conferences and events has significant benefits that cannot be replicated by technology. During the year our CEO therefore conducted a limited amount of business travel both in the UK and internationally including, in July, attending the Association for Diagnostics and Laboratory Medicine conference in Anaheim, California. This trip also combined visits with some of our largest customers elsewhere in the USA. There is little option other than air travel between cities to manage such a schedule; however, all our CEO's car hire requirements were covered in electric vehicles. We have one laboratory vehicle which is used by the team for visiting and caring for our sheep, and it is also used whenever staff need to drive within the UK when there is no acceptable public transport alternative.

We will continue to adopt technology to facilitate virtual meetings wherever suitable and will always recognise the impact that business travel may have on the environment.

Social

We maintain regular communication and dialogue with our stakeholders to better understand their needs and to factor these into our decision making and activities.

Our people

Bioventix is a small organisation with 17 employees. We are solely based in the UK and apply fair employment practices and comply with all legislation and requirements regarding employment, pay, working hours and annual and statutory leave. We invest in healthy and safe workplaces and our employee policies, amongst others, include Equal Opportunities, Anti-harassment and Bullying, Health and Safety, GDPR, Flexible Working, and polices for Parental, Compassionate and Dependant Care Leave.

A safe and clean work environment is fundamental to our creation and manufacture of SMAs. By promoting a culture of safe operations, we aim to secure the wellbeing and efficiency of our team and establish a supportive and inclusive environment.

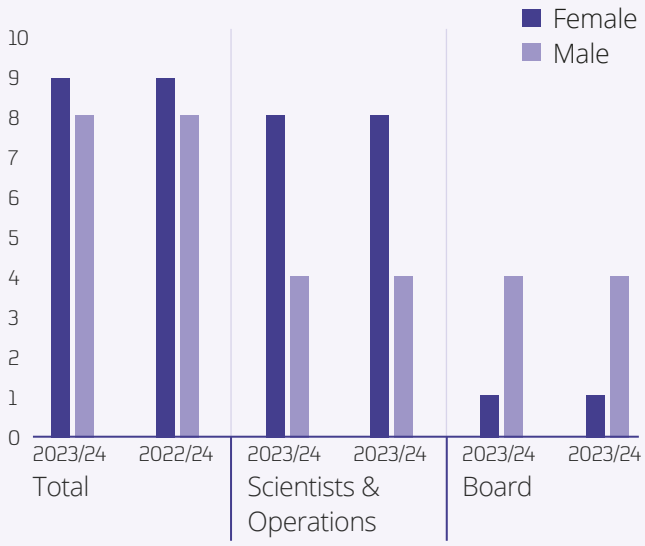
We have adopted a Mental Health and Wellbeing policy, approved by the Board, and based upon the Thriving at Work guide created by MIND in collaboration with the Department for Digital, Culture, Media and Sport (DCMS), the Sport and Recreation Alliance, and Sport England. The Guide has six mental health core standards for employers to use, drawn from best practice and available evidence, and two members of our team are trained mental health first aiders.

We also have well-established policies that provide guidance on ethical work practices; these include Anti-corruption and Bribery, Whistleblowing and the Company's Modern Slavery Act Statement.

The more serious impacts on working practices caused by the COVID-19 pandemic have abated and the Company has returned, in the main, to standard working practices. Although compliance with UK Government requirements and restrictions during the pandemic was disruptive, it did allow us to review our business to ensure that we continue to be a safe and secure work environment. Whenever necessary and appropriate, the Company continues to support staff working from home and the Company retains the flexibility to add, adapt or adopt working practices to reapply any necessary additional safety and security measures in our working environment should it be required.

Bioventix has a very flat management structure. Interaction between the Executive Directors and staff is a daily event and very much part of the culture of the Company. In addition, to ensure that all staff are aware of the Company's strategy and performance, all staff are notified when interim and full-year Annual Reports are published and the Chief Executive conducts a briefing to which all staff are invited where full information is provided and discussed in an open and inclusive environment.

Diversity



Women continue to represent 53% of the total Bioventix workforce.

We have twice as many women as men in our scientist and support teams at Bioventix and hourly pay rates for female employees in these teams are 100.5% of those of male employees. This reflects the longevity of the team of female scientists who on average have circa 2 years more service than our male scientists.

Internally at Bioventix, we place great value on our team and wherever it is practicable we seek ways to help them as their lives change. We are very supportive of new parents and their desire to continue to work in our business and we have four employees who work on a part-time basis having returned to Bioventix after parental leave. In addition, for those long-serving employees who wish to address their work–life balance and seek to reduce their time commitment to work, we have made adjustments to help them transition to a less than full-time role whilst still retaining valuable experience, knowledge and skill in the business.

The Board of Bioventix plc has one female director, 20% of our Board.

Diversity recognises similarities and differences, it is defined more broadly than race, religion, gender and ethnicity and, as a small operation, we also address it through a diversity of thinking, background, skill set and age. Our processes and communications are open and all-inclusive and we positively encourage all of our team to bring new ideas, critically challenge and add their knowledge and experience to improving the operation and performance of our business.

Bioventix plc was established in 2003 and several of our team have been with the business for all 21 years of our existence. Across the Company the average length of service at 30 September 2024 was 11 years 11 months, an increase of 12 months since 30 September 2023. Our scientists have all been with the business for more than 5 years and our overall retention rate has been unchanged at 100% in each of the last 3 years.

Our shareholders

Bioventix communicates regularly with shareholders through the Annual Report and Accounts, Interim Statements, RNS announcements, our AGM and other investor meetings and presentations. All published information is available to all stakeholders on the Bioventix website (www.Bioventix.com).

Customers, research and academic partners

Our products are used by large multinational in vitro diagnostic companies across the world. Whilst Bioventix does not have any contact with patients whose conditions may be diagnosed using our products, we recognise the vital needs our customers meet and the impact our technology can have in improving outcomes for those patients.

Bioventix is a research-driven organisation which seeks to develop novel approaches in the diagnostics field. As such, the Company engages and collaborates on a number of projects with a variety of other companies and research institutions. The purpose of these relationships is to access relevant technologies and programmes to add value to the Company's research portfolio. However, often the exchange of knowledge and views, whilst building relationships that may be important in future, contributes to the wider research community, thereby potentially adding value to the solution of problems unrelated to our technology.

The wider community

Bioventix, like all businesses, has responsibilities to the wider communities in which we operate. We operate a Quality Management System based on the principles of ISO 9001:2015 (Quality Management System Requirements) and ISO 13485:2016 (Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes). Our processes, procedures and operations are subject to regular internal audit by our Quality Management Team and to external audit by our customers who have the right to inspect our operations under the terms of our contracts with them. As we reported last year, we selected and have been implementing a cloud-based solution to automate the recording, management and communication of quality, production, research and development and operational processes; as with many such products this solution has evolved and now offers additional features, some of which we have adopted to further enhance its functionality and the benefit it brings to our operations.

Our research and our strategy seek to apply our antibody technology to appropriate problems facing our customers, partners and, potentially, the wider community.

Ageing populations and the increase in the number of patients suffering with dementia-related conditions are significant challenges facing developed societies. Our work with researchers in this field to develop antibodies for diagnostic tests for the earlier identification of such conditions is not only an activity closely related to the Company's historic product set, but also allows us to contribute to addressing a growing challenge.

The provision of pollution-free, safe environments is a core responsibility for governments and many commercial and non-governmental organisations. Our work to develop simple tests with accessible and timely analysis and results has been expanded to cover other pollutants and industries, adding to the range of solutions addressed by our products.

All of our projects and research are undertaken with commercial objectives; however, we are acutely aware that our contribution to developing any solutions to these challenges will benefit the wider community and the environment that we serve.

Business governance

Bioventix is committed to conducting our business in an ethical and responsible manner and to complying with all applicable laws and regulations. We require all our employees and all third parties acting on our behalf to behave honestly and to operate with integrity.

We have a comprehensive suite of policies covering the conduct and ethics of all aspects of our business including anti-bribery, modern slavery, and safeguarding. Our employee induction process includes sessions on HR, health and safety, bribery, modern slavery, whistleblowing, and data protection to ensure all new employees understand our ways of working and our expectations of them. Our recruitment, development and review programmes safeguard our commitment to equality, diversity and inclusion throughout our Company.

The detail of our commitment and approach to governance is explained in the Governance Report that follows.

Governance Report

The Board of Directors

The Board comprises, in addition to the Independent Non-Executive Chairman, two further Independent Non-Executive Directors and two Executive Directors.

Chairman's Introduction to the Governance Report

As Chairman of Bioventix plc ("Bioventix" or "the Company") it is my responsibility to ensure that the Board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so. We believe that a sound and well understood governance structure is essential to maintain the integrity of the Company in all its actions, to enhance performance and to impact positively on our shareholders, staff, customers, suppliers and other stakeholders.

Bioventix is a small organisation with fewer than 20 employees; however, we aim to continually update and improve our approach to corporate governance. Shareholders will therefore once again see developments in this year's Annual Report in the Sustainability Report on page 30 adding detail to our approach to our responsibility for Environmental, Social and Governance (ESG).

The Company's shares are traded on the Alternative Investment Market ("AIM") on the London Stock Exchange and as such the Company is subject to the ongoing requirements of the AIM rules for companies. The Board has adopted the QCA Corporate Governance Code ("the Code") which continues to be the most appropriate benchmark for the Company in measuring our application of good governance principles. These 10 principles provide us with a clear basis for assessing our performance as a Board and as a company.

In the sections that follow, we set out our governance structures, an overview of how Bioventix applies the Principles of the Code and reports from the Board Committees. Compliance with the Code and corporate governance requirements generally are reviewed on an ongoing basis by the Board and form part of the annual Board Performance Review process.

The Board of Directors

Peter Harrison
Chief Executive Officer

Peter has worked in the field of antibody technology since 1986 and has extensive experience of the development and commercialisation of antibody technologies. He graduated in Natural Sciences from Clare College Cambridge in 1980 and joined the graduate training scheme at Shell Chemicals UK Ltd. In 1986 he joined Celltech Ltd to manage their contract antibody production business and in 1991 he joined KS Biomedix Ltd and helped to establish sheep monoclonal antibody technology at their Farnham research laboratory. Following the acquisition of KS Biomedix Limited by Xenova plc in 2003, he led a management buy-out that resulted in the formation of Bioventix and he has led the subsequent commercial development of the Company.

Bruce Hiscock
Chief Financial Officer

Bruce was appointed to the Board in 2020. He is a member of the Institute of Chartered Accountants of Scotland (ICAS) and was previously CEO and CFO of everyLIFE Technologies, a technology business delivering digital care planning solutions to social care providers. Prior to this, he was the Managing Director of MITIE Security Systems, the CEO of Protec plc, an AIM-listed security and technology services business, and, over a 30-year career, has held several CFO roles at fast-growing listed and private companies.

The Independent Non-Executive Directors, Ian Nicholson, Nick McCooke and Jo Pisani, are all considered as independent by the Board.

Ian Nicholson and Nick McCooke were awarded share options under the Company's Share Option Plan in 2020. The Board recognises that Non-Executive Directors should not normally participate in performance-related remuneration schemes or have a significant interest in a company share option scheme. However, the QCA Code acknowledges that where performance-related remuneration is under consideration, it should be proportionate, shareholders must be consulted and their support must be obtained. Prior to the issue of share option awards to Ian Nicholson and Nick McCooke the Board consulted with all material shareholders and there were no dissenting views. The Board believes that the participation, by the Non-Executive Directors, in the Company's share option scheme has not and does not impair their ability to act as independent Non-Executive Directors. It is not the Board's intention to make further share option awards to the Non-Executive Directors.

Ian Nicholson
Chairman and Independent Non-Executive Director

Ian was appointed as Non-Executive Chairman of Bioventix in November 2004. Ian is also an Operating Partner at Advent Life Sciences LLP and a Trustee of LifeArc, a leading UK medical charity. From 2013 to 2021 Ian was Chief Executive Officer of F2G Ltd, an antifungal drug development company and from 2004 to 2012 Ian was Chief Executive of Chroma Therapeutics Limited, a drug discovery and development company. He previously held the position of Senior Vice President, Business Development at Celltech Group plc, then the UK's largest biotechnology company. He has extensive experience in licensing, mergers and acquisitions, and market development in the UK, Europe and the US. Ian is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Nicholas McCooke
Independent Non-Executive Director

Nick was appointed as Non-Executive Director of Bioventix in 2014 when the Company was admitted to AIM. Nick has worked in the biotech industry for over 30 years and is now an independent consultant providing operational, strategic and commercial advice and hands-on support to biotech companies. He has led several successful companies. He was the founding CEO of Solexa, the Cambridge University spin-out where he built the team that invented and developed Next Generation DNA sequencing. Subsequently he was CEO of Belgian company Pronota, which translated novel protein biomarkers into diagnostics, and where he gained much knowledge and expertise in the diagnostic development and market access process. Most recently, he was CEO of DNA sequencing technology company Longas pty Ltd. He has an MBA from the London Business School. Nick is Chairman of the Remuneration Committee and Nomination Committee and is a member of the Audit Committee.

Joanne Pisani
Independent Non-Executive Director

Jo was appointed as a Non-Executive Director of Bioventix in May 2023. She is a Chartered Engineer with a distinguished background in the Pharmaceutical, Life Sciences and Biotech sectors. She held roles for both GSK and BP in strategy, commercial and operational functions before working in strategic consultancy, latterly leading PwC's UK Pharmaceutical and Life Sciences practice, assisting clients with developing strategy, designing and implementing transformational change and completing M&A transactions. Jo is a passionate supporter of critical public health issues, such as tackling dementia, rare diseases and anti-microbial resistance. She focusses on supporting charities, universities and business start-ups. She is chair of Birmingham's Precision Health Technology Accelerator and chairs the Advisory Board for London's MedCity. Jo also serves on the boards of the UK Dementia Research Institute, LifeArc, The RSA Group, London and Partners and Beacon. She is also a Non-Executive Director and strategic advisor to biotech companies in the UK, Finland and Spain. Jo chairs the Bioventix plc Audit Committee; she is also a member of both the Remuneration and Nomination Committee.

Corporate Governance statement and compliance with the principles of the QCA Code

The Company's shares are traded on the Alternative Investment Market ("AIM") on the London Stock Exchange and as such Bioventix is subject to the ongoing requirements of the AIM rules for Companies. As stated in the Chairman's introduction, the Board has adopted the QCA Code, and the following table summarises how the 10 principles of the QCA Code are applied by the Board. The Board has undertaken an annual review of the corporate governance framework that Bioventix operates and considers it to be effective and proportional to the size, risks, complexity and operations of Bioventix and reflective of the Company's culture and values.

01.

Establish a strategy and business model which promotes long-term value for shareholders

The Company's strategy and business model is described in the Company's Annual Report. The Company generates long-term value for shareholders and achieves sustainable shareholder returns by delivering its strategy through the implementation of its business model. Key requirements of both are:

i. the Company's understanding of and supply to the global markets for diagnostic antibodies;
ii. the Company's research activities and the identification of suitable opportunities within those markets for the Company to target allied to the subsequent development and manufacture of applicable and commercially viable products;
iii. the employment and subsequent training and development of expert individuals; and
iv. the development of business and research relationships with customers, academics, partners and suppliers.

The Annual Report contains details of a number of risks and uncertainties that may represent challenges to the execution of the Company's strategy and business model, and how such risks and uncertainties are managed by the Company.

02.

Seek to understand and meet shareholder needs and expectations

The Company recognises the importance and the benefit of engaging with its shareholders.

Bioventix has an established programme of engaging openly with shareholders and communicates on an ongoing basis on via its website, on publication of its full-year and half-year results and at the AGM.

Trading updates and other announcements are made on RNS.

02. Continued

The Board also engages with shareholders to understand their needs and expectations, primarily through meetings with Executive Directors when presenting financial results but as required at other times (this applies in the main to institutional investors or those with significant shareholdings), including at the AGM to which all shareholders are welcome and at which they are encouraged to ask questions of the Board. Formal feedback from shareholder meetings is provided by the Company's broker and discussion of this feedback is a standard item on the Board's agenda.

The Non-Executive Directors may be contacted by shareholders who wish to raise matters and also attend many of the investor meetings at both the full-year and half-year results.

The Company's website contains information on the Bioventix business, corporate information and specific disclosures required under AIM rules and the QCA Code.

03.

Take into account stakeholder and social responsibilities and their implications for long-term success

The Board recognises that it is responsible not only to the Company's shareholders and employees but also to a wider group of stakeholders including customers, suppliers, research partners and the communities in which Bioventix operates. Whilst Bioventix does not have any contact with patients whose conditions are diagnosed using tests incorporating its products, the Company aims, through its technology, to improve outcomes for those patients.

Sound ethical values and behaviours are crucial foundations for the Company; for the successful achievement of corporate objectives; and for meeting the needs of a sophisticated client base.

Bioventix aims to follow best practice by:

- treating all stakeholders fairly;
- communicating openly and honestly in all shareholder and stakeholder information;
- providing safe, secure and healthy working conditions for all employees;
- promoting equality, diversity and inclusion, judging neither by race, nationality, religion, age, gender, sexual orientation, disability or political opinion and treating everyone with respect;
- observing and complying with the laws and regulations in each country in which it conducts business; and
- promoting Bioventix's success for the benefit of all stakeholders – shareholders, employees, partners, customers, suppliers and the local community.

The Company opposes modern slavery in all its forms and will try to prevent it by any means that it can. It is expected that anyone who has any suspicions of modern slavery within the business or the supply chain will raise their concerns without delay. In light of the Modern Slavery Act 2015, the Board carries out annual reviews of internal measures to ensure the Company is doing what it can to prevent slavery and human trafficking.

04.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve the execution of the Company's strategic objectives and business model.

The principal elements of the Company's internal control system include:

- close management of the day-to-day activities of the Company by the Executive Directors;
- defined lines of responsibility and delegated authorities;
- the preparation of revenue, cost and capital forecasts which are reviewed regularly during the year; regular monitoring of management information and financial data; reporting to and monitoring by the Board including comparison with financial forecasts;
- implementation and use of standard, approved accounting software to account for and report financial transactions and to analyse and report Company performance;
- Audit Committee review of audit plans, published financial information and reports from the Company's external auditor;
- quality management systems, maintained in house and audited where required by customers.

Each year on behalf of the Board, the Audit Committee reviews the effectiveness of these systems. This is achieved primarily by a comprehensive review of risks which cover both financial and non-financial issues potentially affecting the Company and from discussions with the external auditor. Details of these risks, and their management, are contained in the Company's Annual Report.

The Board is not aware, to the best of its knowledge, of any significant failings or weaknesses in the system of internal control. On the recommendation of the Audit Committee, the Board has determined that the Company does not require an internal audit function due to the small size of the administrative function and the high level of executive director involvement in the day-to-day management of the business and the review and authorisation of activity, commitments and transactions.

Where the management of operational risk requires outside advice, this is sought from expert parties, and the Company has put measures in place to protect itself against supply failures including insurance and contingent stock.

05.

Maintain the board as a well-functioning, balanced team led by the Chairman

The purpose of the Board is to ensure that the business is managed for the long-term benefit of all shareholders, whilst at the same time having regard for employees, customers, suppliers and our impact on the environment and the communities in which Bioventix operates. The full Board is responsible and accountable to the shareholders for the management and success of Bioventix and to provide effective controls to assess and manage risks in the Company.

There is a formal schedule of matters specifically reserved for the Board that includes matters relating to strategy and management; structure

05. Continued

and capital; financial reporting and controls; internal controls; contracts; communications; board membership and other appointments; delegation of authorities and corporate governance.

The Company has three Non-Executive Directors, each considered to be independent by the Board. Ian Nicholson, who was appointed as Non-Executive Chairman of the Company in 2007, is considered by the Board to remain independent of the management and free to exercise independence of judgement. The other Non-Executive Directors are Nick McCooke, appointed in 2014, and Jo Pisani, who was appointed in 2023.

The Board meets on a minimum of four occasions spread across each year timed to align with the Company's financial reporting and trading calendars. This frequency is considered appropriate to the size and complexity of the Company and additional meetings are held as required.

The Board is supported by an Audit Committee, a Remuneration Committee and a Nomination Committee, each with delegated duties and responsibilities. The Board and its Committees receive appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting and Board Committee papers are distributed several days before meetings take place. Any director can challenge proposals, with decisions being taken after discussion. Any director can ask for a concern to be noted in the minutes of the meeting which are circulated to all directors. Specific actions arising from meetings are agreed by the Board or relevant committee and then followed up by management.

All relevant directors attended all Board and Board Committee meetings during the year with no absences. All directors spend such time as is necessary to effectively carry out their roles and directors have access to all and any advice or services needed to enable them to carry out their roles and duties.

06.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Nomination Committee is responsible for identifying and assessing the suitability of candidates to fill any vacancies on the Board, as well as assessing the appropriateness of the size and composition of the Board as Bioventix grows and develops.

The directors of the Company are:

- Ian Nicholson, Non-Executive Chairman
- Peter Harrison, Chief Executive Officer
- Bruce Hiscock, Chief Financial Officer

06. Continued

• Nicholas McCooke, Non-Executive Director
• Joanne Pisani, Non-Executive Director

The skills and experience of the Board are set out in their biographical details included above and are considered by the Board as representing an appropriate range of capabilities needed to deliver the strategy of the Company for the benefit of its shareholders over the medium to long term. The experience and knowledge of each of the directors gives them the ability to constructively challenge strategy and to scrutinise performance. All directors are able to take independent professional advice in the furtherance of their duties, if necessary. In addition, the Board is assisted by Ian Farrelly, the Company Secretary, whose services are retained through a contract with Cargil Management Services Limited, a professional company secretarial services provider. The directors have direct access to the advice and services of the Company Secretary and of course the Chief Financial Officer if required.

At each Annual General Meeting ("AGM") one third of the directors are subject to re-appointment by rotation under the Company's Articles of Association, as are directors who have been appointed during the year. However, in line with best governance practice, all those directors who are eligible and wish to continue serving on the Board, will be seeking reappointment by shareholders at the Company's forthcoming AGM.

07.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is mindful that it needs continually to monitor and identify ways in which it might improve performance and that the assessment of board performance through adoption of a formal process is a useful tool for enhancing board effectiveness.

The collective performance of the Board is reflected in the overall success of the business. Evaluation of the performance of the Board, its Committees and individual members is made annually utilising a formal board evaluation process led by the Chairman, assisted by the Company Secretary.

A Board Performance Review was held during the year by the Board; it was determined that the Board, its Committees and individual directors were working well and certain enhancements were agreed in relation to the operation of the Board.

Alongside this annual formal evaluation the Chairman routinely assesses the performance of the Board and its members and discusses any issues with the relevant directors.

Succession planning is recognised as a material topic for the Company and is the responsibility of the Nomination Committee that makes recommendations to the Board concerning Board appointments.

08.

Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its decisions will inform the corporate culture of the Company and this in turn will affect the performance of the business. The Board is also conscious that the tone and culture that it sets will greatly impact all aspects of the Company and the way employees behave and operate. The importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives whilst, in particular, meeting the exacting demands of a sophisticated customer base. The Company's culture and ethical approach to business is reflected in the way the Company has been able to develop long-term and fruitful relationships with its clients and in the longevity of the employment of many members of staff.

The Company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn is expected to ensure the delivery of its core objectives of sustained real growth in future profitability.

09.

Maintain governance structures and processes that are fit for purpose and support good decision making by the board

The Company maintains appropriate governance structures and processes according to its size and complexity.

There is a clear division of responsibility between the Non-Executive Chairman and the Chief Executive. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company.

The role of the Independent Non-Executive Directors includes questioning and challenging the Executive Directors and assisting where possible in developing strategic proposals, reviewing and commenting on the integrity of the Company's financial reporting systems and the information they provide; recommending appropriate standards of corporate governance; reviewing internal control systems; ensuring that risk management systems are robust and reviewing corporate performance and ensuring that such performance is reported consistently, accurately and promptly to shareholders. The roles of the Board and its Committees are described in section 5 above.

Compliance with the Code and corporate governance requirements generally are reviewed on an ongoing basis by the Board and within the annual Board Performance Review process.

10.

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

Bioventix recognises that meaningful engagement with its shareholders is integral to the continued success of the Company. Throughout the year the Company actively engages and maintains a healthy dialogue with institutional and significant shareholders through meetings, presentations and roadshows. Smaller private investors are encouraged to attend the AGM, when permitted, at which the Company's activities are considered and there is an opportunity for shareholders to meet, discuss the Company's business and governance, and for questions to be answered. General information is available on the Company's website and the Board believes that the Annual Report and the Interim Report published at the half-year play an important part in presenting all shareholders with a timely assessment of the Company's position and prospects. All RNS press releases are published on the Company's website.

Board Committees

The Board is supported by three committees; an Audit Committee, a Remuneration Committee and a Nomination Committee, each with delegated duties and responsibilities. Each committee is comprised of the three Non-Executive Directors, one of whom is the Chair of that committee, and has access to all information, resources and advice, at the Company's cost, that the committee Chair deems necessary to discharge its duties.

The Audit Committee, with Jo Pisani as Chair, determines and examines any matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. In addition, it considers the financial performance, position and prospects of the Company and ensures they are properly monitored and reported on. The Audit Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Audit Committee are published on the Company's website.

The Remuneration Committee, with Nick McCooke as Chair, reviews the performance of the Executive Directors and sets their remuneration, determines the payment of bonuses to the Executive Directors and considers the Company's bonus and option schemes. The Remuneration Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Remuneration Committee are published on the Company's website.

The Nomination Committee, with Nick McCooke as Chair, reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board with regard to any changes; gives consideration to succession planning for directors and other senior executives and evaluates the balance of skills, knowledge, experience and diversity on the Board. The formal terms of reference for the Nomination Committee are published on the Company's website.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Audit Committee Report

This report has been produced by the Audit Committee and approved by the Board.

The Audit Committee is responsible for ensuring that Bioventix plc operates and maintains a strong control environment. It provides effective governance over the Company's financial reporting, including oversight and review of the systems of internal control and risk management and the performance of the external audit functions.

The Committee's formal terms of reference, which are reviewed and approved annually, set out the duties delegated to the Committee by the Board and are published on the Company's website. The Audit Committee has determined that an internal audit function is not an appropriate mechanism for Bioventix plc due to the Company's small size, the level of complexity of its operations and the close day-to-day involvement of the Executive Directors.

The Audit Committee is comprised of the three Independent Non-Executive Directors, with the Executive Directors only attending by invitation; the Committee invites the external auditor to attend certain meetings. The Committee is authorised by the Board, wherever and whenever necessary, to obtain external professional advice at the Company's expense in order to perform its duties, which are to:

- make recommendations to the Board on the appointment of the external auditor and the amount of its remuneration; discuss and agree the scope of the audit, review the auditor's management letter and the Company's response;
- review half-year and annual financial statements and formal announcements relating to financial performance;
- review the adequacy and effectiveness of the Company's internal financial controls, and internal control and risk management systems;
- consider compliance with relevant laws and regulations; and
- review the Committee's terms of reference and recommend any proposed changes to the Board for approval.

During the year, the Committee met twice to consider standard business relating to the review of half-year and annual financial statements

Further details of the matters considered or put into effect at the Committee meetings were as follows:

- acceptance of the external auditor's full-year report for the year ended June 30th 2023;
- review of the half-year and full-year financial results, including the assessment of going concern and that the going concern basis is the appropriate basis for the preparation of the Company's accounts;
- review and approval of the external auditor's plan for the 2024 year end; and
- review and approval of the external auditor's fees for 2024 audit.

Since the year end the Audit Committee has met to consider the integrity of the Company's financial reporting and provided advice to the Board that the 2024 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the Company's shareholders with the necessary information to assess the Company's position, performance, business model and strategy.

The objective of this report is to explain the work of the Audit Committee and how it contributes to the maintenance of governance standards at Bioventix plc. The activities of the Committee are kept under review in line with regulatory and market developments and current thinking on best practice. The Board welcomes communication from shareholders; should any have suggestions regarding the scope and activity of the Audit Committee, they should address them to the Chair of the Audit Committee at Bioventix plc.

Joanne Pisani
Chair of the Audit Committee

Date
25 October 2024

Remuneration Report

This report has been prepared by the Remuneration Committee and approved by the Board.

The Remuneration Committee is comprised of the three Non-Executive Directors. Nick McCooke has been Chair of the Remuneration Committee since its formation however, following Nick's decision to retire from the Board at the end of the year the Board will appoint a new Chair of the Remuneration Committee with effect from 1 January 2025. The Committee reviews the performance of the Executive Directors and sets their remuneration, determines the payment of bonuses to the Executive Directors and considers the Company's bonus and option schemes. The Remuneration Committee can request attendance at committee meetings by, amongst others, the Chief Executive and the Chief Financial Officer. The formal terms of reference for the Remuneration Committee are published on the Company's website.

In assessing appropriate remuneration arrangements, the Remuneration Committee takes into account relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit and links a key part of the Executive Directors' remuneration to the Company's financial and operational performance.

Remuneration policy

The Committee aims to ensure that total remuneration is set at an appropriate level for the Company and its operations.

The objectives and core principles of the remuneration policy are to ensure:

- remuneration levels that support the Company strategy;
- an appropriate link between performance and reward;
- linking of long-term incentives to shareholder returns; and
- good teamwork by enabling all employees to share in the success of the business.

There are four elements that together can make up the remuneration packages for the Executive Directors:

- basic annual salary or fees;
- benefits in kind;
- discretionary annual bonus; and
- a long-term incentive plan.

Basic salary

The basic salary of each of the Executive Directors is normally determined by the Committee towards the end of each financial year with any changes taking effect from 1 July. Basic salary is reviewed and adjustments made taking into account individual performance, market factors and sector conditions.

Benefits in kind and cash equivalents

Benefits provided to the Chief Executive during the year comprised pension contributions, and since the year end pension contributions have also been made for the benefit of the Chief Financial Officer.

Discretionary bonuses

A cash bonus award for performance during Financial Year 2022/23 was made to the Chief Executive and most staff in November 2023; bonuses in respect of performance in 2023/24 are forecast to be made in November 2024. Bonus criteria for the Executive Directors are based on performance criteria that are designed to align with shareholder interests and comprise factors relating to shareholder return, earnings per share and performance against agreed long-term corporate and operational milestones.

Share Option Plan

The Company operated two share option schemes in the year; an Approved EMI Share Option Scheme and an Unapproved Share Option Scheme.

Under the terms of the Company's 2013 EMI Share Option Scheme, the Approved Scheme, directors and employees are eligible for awards. Performance conditions do not apply to the awards and upon any change of control, all options vest in full. All options lapse upon the tenth anniversary of grant.

The terms of Unapproved Share Option Scheme mirror those of the EMI Share Option Scheme. It is however a non-tax-advantaged scheme and facilitates the award of share options to those key staff and directors who are ineligible for the award of share options under the EMI Share Option Scheme.

Non-Executive Directors' fees

The Non-Executive Directors receive a fee for carrying out their duties and responsibilities. The level of such fees is set and reviewed annually by the Board, excluding the Non-Executive Directors. The Non-Executive Directors do not currently receive additional fees for acting as members of the Board's various committees.

Directors' remuneration

Director	Position	Salary £	Bonus £	Pension £	2024 £	2023 £
Peter Harrison	Chief Executive Officer	230,000	110,607	47,172	387,779	281,633
Nicholas McCooke	Non-Executive Director	30,000	-	-	30,000	29,227
Ian Nicholson	Non-Executive Director	43,549	-	-	43,549	37,097
Bruce Hiscock	Chief Financial Officer	83,616	10,075	3,643	97,334	95,991
Jo Pisani	Non-Executive Director	30,000	-	-	30,000	5,000
Total		417,165	120,682	50,815	588,662	448,948

The Chief Executive Officer and Chief Financial Officer's bonuses were determined by the Remuneration Committee according to performance criteria designed to be consistent with companies of a similar profile and relating to EPS and share price parameters, together with a smaller R&D element for the Chief Executive Officer.

During the year 2022/23 the Remuneration Committee conducted a comprehensive review of remuneration, following which adjustments were made to the remuneration of the Chief Executive Officer and Chief Financial Officer which were effective from 1 July 2023. In June 2024 the Remuneration Committee recommended inflationary increases of up to 5% for the Company's employees, including the directors; these increases were implemented on 1 July 2024.

Service contracts

The Executive Directors are subject to service contracts with a notice period of six and three months respectively for the Chief Executive Officer and Chief Financial Officer. Payments on termination for Executive Directors, other than on the grounds of incapacity or circumstances justifying summary termination, are restricted to the value of any unexpired notice period and the cost of providing other contractual benefits during the unexpired notice period.

The Non-Executive Directors are appointed for a fixed period of three years and may be terminated by either party giving to the other not less than three months' notice.

Directors' interests in the share capital of Bioventix plc

Ordinary shares of 5p each

	Ordinary shares of 5p each	
Director	30 June 2024	30 June 2023
Peter Harrison	297,088	359,088
Ian Nicholson	15,500	15,500
Nicholas McCooke	-	-
Jo Pisani	-	-
Bruce Hiscock	789	761

Options over Ordinary shares of 5p each

Director	Position	Date of grant	Total Options held 30/06/2024	Exercise price per share	Exercise period
Peter Harrison	Chief Executive Officer	06/01/2017	5,204	£13.50	06/01/2020 - 06/01/2027
Peter Harrison	Chief Executive Officer	14/02/2020	9,071	£38.55	14/02/2023 - 14/02/2030
Peter Harrison	Chief Executive Officer	30/03/2023	10,740	£38.50	30/03/2023 - 30/03/2033
*Ian Nicholson	Chairman	14/02/2020	1,712	£38.55	14/02/2023 - 14/02/2030
*Nicholas McCooke	Non Executive Director	14/02/2020	1,349	£38.55	14/02/2023 - 14/02/2030
Bruce Hiscock	Chief Financial Officer	30/03/2023	4,427	£38.50	30/03/2023 - 30/03/2033
Jo Pisani	Non Executive Director	-	-	-	-

*Share Options granted under the Company's Unapproved Share Option Scheme.

Of the share option charge for 2024 of £89,223 (2023: £174,080), the following amounts related to the directors:

Peter Harrison – £24,132 (2023: £28,805)

Ian Nicholson – £ nil (2023: £6,240)

Nicholas McCooke – £ nil (2023: £4,917)

Bruce Hiscock – £9,947 (2023: £2,507)

Shareholder feedback

The objective of this report is to communicate the remuneration of the directors and how this is linked to performance. In this regard the Board is committed to maintaining an open transparent dialogue with shareholders and is always interested to hear their views on remuneration matters.

Nicholas McCooke
Chairman of the Remuneration Committee

Date
25 October 2024

Nomination Committee Report

This report has been prepared by the Nomination Committee and approved by the Board.

The Nomination Committee is comprised of the three Independent Non-Executive Directors with the Executive Directors co-opted as required. Nick McCooke has been Chair of the Nomination Committee since its formation; however, following Nick's decision to retire from the Board at the end of the year the Board will appoint a new Chair of the Nomination Committee with effect from 1 January 2025.

The committee reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board with regard to any changes.

The main responsibilities of the committee are as follows;

- regularly review the structure, size and composition of the Board, including assessing the skills, knowledge, experience and diversity of the Board;
- give full consideration to succession planning for directors and other senior executives and employees;
- keep under review the leadership needs of the organisation;
- identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review the results of the Board performance evaluation process that relate to the composition of the Board;
- formulate plans for succession for both Executive and Non-Executive Directors;
- nominating membership of the Audit and Remuneration Committees; and
- any matters relating to the continuation in office of any director at any time, including the appointment or removal of any director to Executive or other office.

The Nomination Committee is responsible for the Board's policy on equality, diversity and inclusion ('EDI'). Bioventix plc is a small, niche business and has a very limited number of employees and directors. Unlike large organisations it can therefore be difficult to realistically set and then meet meaningful targets for diversity. The Board recognises the benefits of diversity in its broadest sense and the value it brings to the business and this can be seen at Bioventix plc in the age range of our employees, our 50/50 gender split and the number of returning parents in our team. Further details of the Company's approach to EDI can be found in the Sustainability Report on pages 30 to 33.

The Committee met twice during the year to consider the composition of the Board and, following Nick McCooke's decision to retire from the Board at the end of the year, to review and initiate the process to appoint an additional Non-Executive Director to the Board. As well as seeking candidates with relevant industry experience, the selection of suitable candidates included seeking diversity of skills, background knowledge and international experience. Race and gender, amongst many other personal and professional qualities, were also taken into consideration in appointing a new director to the Board. The Committee has met with a range of suitable candidates and believes it will be in a position to invite one of them to join the Board from 1 January 2025.

Nicholas McCooke
Chairman of the Remuneration Committee

Date
25 October 2024

Independent Auditors' Report

Independent Auditors' Report to the Members of Bioventix Plc

Opinion

We have audited the financial statements of Bioventix PLC (the 'Company') for the year ended 30 June 2024, which comprises the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows, an analysis of net debt, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following:

- Gained an understanding of the systems and controls around management's going concern assessment including for the preparation and review process for forecasts and budgets.
- Analysed the financial strength of the business at the year end date and considered key trends in balance sheet strength and business performance over the last three years.
- Testing the mechanical integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to empirical data and external evidence.
- Based on our above assessment, we performed our own sensitivity analysis (where required) in respect of key assumptions underpinning the forecasts.
- We performed analyses on the core cash generating units of the business to confirm cash inflow levels needed to maintain liquidity required to meet liabilities as they fall due.
- We considered post year end performance of the business, comparing this to budget.
- We reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

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 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.

In relation to the entity's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, considering the Company's structure, accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the audit were based both on financial information and risk, and we obtained the level of assurance required in-line with a full statutory audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Revenue recognition

Significance and nature of key risk

The Company had two main sources of revenue during the year, being the sales of antibodies and the receipt of royalty income.

We have focused on these income streams due to the potential for material misstatement of revenue whether caused by fraud or error.

How our audit addressed the key risk

We substantively tested the material income streams by agreeing a sample of sales transactions to source documentation and confirmed that they were accurately recorded.

By testing a sample of transactions shortly before and after the year-end date, we ascertained that sales were correctly recorded within the financial period to which they relate.

We recalculated accrued income values based on the available external data and didn't identify any significant issues. However, we are aware of the significant estimates and assumptions that are involved in calculating these values and therefore our work is based on the fact we did not identify any contradictory evidence as part of our testing.

We assessed the systems and controls in place around the revenue cycle, implemented by the Company themselves, to ensure that these are functioning as designed.

Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of revenue recognised in the financial statements.

Our application of materiality

	Company financial statements
Materiality	£554,800
Basis for determining materiality	5% of estimated profit before tax
Rationale for benchmark applied	The Company's principal activity is that of the supply of antibodies and is quoted on AIM. To this end the business and its stakeholders are focused on trading and generating profits. Therefore, a benchmark for materiality of PBT is considered to be the most appropriate.
Performance materiality	£416,100
Basis for determining performance materiality	75% of materiality
Rationale for performance materiality applied	On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% of our planning materiality. In assessing the appropriate level, we consider risk exposure, our experience of the Company and an assessment of the likelihood of misstatement.
Triviality threshold	£27,700
Basis for determining triviality threshold	5% of materiality

We reported all audit differences found in excess of our triviality threshold of £27,700 to the directors and the management board.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the parent company financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 26, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as accrued revenue. Audit procedures performed by the engagement team included:

- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Physical inspection of tangible assets and stocks susceptible to fraud or irregularity; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

• As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Anne Dwyer BSc (Hons)
FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP
Chartered Accountants and Statutory Auditors
London

Date
25 October 2024

Kreston Reeves LLP

Statement of comprehensive income for the year ended 30 June 2024

	Note	2024 £	2023 £
Turnover	4	13,606,584	12,816,225
Cost of sales		(925,527)	(828,410)
Gross profit		12,681,057	11,987,815
Administrative expenses		(1,994,691)	(1,768,950)
Difference on foreign exchange		(42,180)	(36,679)
Research and development tax credit		29,230	25,243
Share option charge		(89,223)	(174,080)
Operating profit	5	10,584,193	10,033,349
Impairment charge on value of investments		(183,306)	-
Interest receivable and similar income	8	201,962	101,094
Profit before tax		10,602,849	10,134,443
Tax on profit	9	(2,506,131)	(1,762,202)
Profit for the financial year		8,096,718	8,372,241
Total comprehensive income for the year		8,096,718	8,372,241

Earnings per share	2024	2023
Basic (pence per share)	155.12	160.63
Diluted (pence per share)	152.86	158.28

The notes on pages 70 to 85 form part of these financial statements.

Statement of financial position as at 30 June 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	11		477,997		575,726
Investments	12		426,733		610,039
			904,730		1,185,765
Current assets					
Stocks	13	615,345		565,366	
Debtors: amounts falling due within one year	14	6,211,919		5,814,761	
Cash at bank and in hand	15	5,998,953		5,715,819	
		12,826,217		12,095,946	
Creditors: amounts falling due within one year	16	(1,728,289)		(1,199,714)	
Net current assets			11,097,928		10,896,232
Total assets less current liabilities			12,002,658		12,081,997
Provisions for liabilities					
Deferred tax	17		-		(18,224)
Net assets			12,002,658		12,063,773
Capital and reserves					
Called up share capital	18		260,983		260,983
Share premium account	19		1,471,315		1,471,315
Capital redemption reserve	19		1,231		1,231
Profit and loss account	19		10,269,129		10,330,244
			12,002,658		12,063,773

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

Peter Harrison
Director

Date
25 October 2024

The notes on pages 70 to 85 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2024

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2023	260,983	1,471,315	1,231	10,330,244	12,063,773
Comprehensive income for the year					
Profit for the year	-	-	-	8,096,718	8,096,718
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year				8,096,718	8,096,718
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(8,247,056)	(8,247,056)
Share option charge	-	-	-	89,223	89,223
Total transactions with owners	-	-	-	(8,157,833)	(8,157,833)
At 30 June 2024	260,983	1,471,315	1,231	10,269,129	12,002,658

Statement of changes in equity for the year ended 30 June 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2022	260,467	1,332,471	1,231	10,226,981	11,821,150
Comprehensive income for the year					
Profit for the year	-	-	-	8,372,241	8,372,241
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year				8,372,241	8,372,241
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(8,443,058)	(8,443,058)
Shares issued during the year	516	138,844	-	-	139,360
Share option charge	-	-	-	174,080	174,080
Total transactions with owners	516	138,844	-	(8,268,978)	(8,129,618)
At 30 June 2023	260,983	1,471,315	1,231	10,330,244	12,063,773

The notes on pages 70 to 85 form part of these financial statements.

Statement of cash flows for the year ended 30 June 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	8,096,718	8,372,241
Adjustments for:		
Depreciation of tangible assets	113,636	129,227
Interest received	(201,962)	(101,094)
Taxation charge	2,506,131	1,762,202
(Increase) in stocks	(49,979)	(103,551)
(Increase) in debtors	(394,670)	(626,550)
Increase/(decrease) in creditors	83,019	(52,612)
Corporation tax (paid)	(2,081,287)	(1,751,587)
Share option charge	89,223	174,080
Impairment of investment	183,306	-
Net cash generated from operating activities	8,344,135	7,802,356
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,907)	(10,583)
Interest received	201,962	101,094
Net cash from investing activities	186,055	90,511
Cash flows from financing activities		
Issue of ordinary shares	-	139,360
Dividends paid	(8,247,056)	(8,443,058)
Net cash used in financing activities	(8,247,056)	(8,303,698)
Net increase/(decrease) in cash and cash equivalents	283,134	(410,831)
Cash and cash equivalents at beginning of year	5,715,819	6,126,650
Cash and cash equivalents at the end of year	5,998,953	5,715,819
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,998,953	5,715,819
	5,998,953	5,715,819

The notes on pages 70 to 85 form part of these financial statements.

Notes to the Financial Statements


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Notes to the financial statements for the year ended 30 June 2024

1. General information

Bioventix Plc (04923945) is a public limited company registered in England and Wales. The Registered Office is 27–28 Eastcastle Street, London, W1W 8DH.

2. Accounting policies

2.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2. Revenue

Turnover is recognised for product supplied or services rendered to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria determine when turnover will be recognised:

Direct sales

Direct sales are generally recognised at the date of dispatch unless contractual terms with customers state that risk and title pass on delivery of goods, in which case revenue is recognised on delivery.

R&D income

Subcontracted R&D income is recognised based upon the stage of completion at the year-end.

Licence revenue and royalties

Annual licence revenue is recognised, in full, based upon the date of invoice. Royalties are accrued over the period to which they relate and revenue is recognised based upon returns and notifications received from customers. In the event that subsequent adjustments to royalties are identified they are recognised in the period in which they are identified.

2.3. Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4. Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5. Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid

are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.6. Current and deferred taxation

Current and deferred tax are recognised as an expense or income in the Statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

• the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
• any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7. Research and development

Research and development expenditure is written off in the year in which it is incurred.

2.8. Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful life:

Freehold property – 2% straight line
Plant and equipment – 15% straight line
Motor vehicles – 25% straight line
Fixtures and fittings – 15% straight line
Equipment – 25% straight line

2.9. Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10. Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the financial statements for the year ended 30 June 2024 (continued)

2. Accounting policies (continued)

2.11. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than twelve months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13. Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14. Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.15. Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans, are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments it is discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current

liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.16. Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17. Employee benefits share-based compensation

The Company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the Company will revise its estimates of the number of options that are expected to be exercisable. It will recognise the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies (as described in note 2), management is required to make judgements, estimates and assumptions. These estimates and underlying assumptions are reviewed on an ongoing basis.

Carrying value of unlisted investments

The Company holds two unlisted investments in companies carrying out research in identifying biomarkers for diagnosing health conditions. The directors have reviewed the progress of this research over the last year.

In common with much scientific research, there is uncertainty, both in relation to the science and to the commercial outcome, and no information to be able to reliably calculate a fair value for these investments.

An impairment provision against the value of the investment in shares of CardiNor AS has been made in the year ended 30 June 2024, following notification of that company's intention to file for bankruptcy received on 11 July 2024. Subsequently, CardiNor AS has raised further equity, thereby substantially diluting existing shareholdings, and has also stated its intention to further dilute shareholdings by the conversion of debt into equity. The impairment charge is shown in the Statement of comprehensive income and the carrying value of investments in note 12 to the financial statements.

The carrying value of the remaining investment will continue to be historic cost.

Royalty revenue accrual

The Company is notified and receives royalty revenue from one customer on a calendar year basis annually in arrears; it is therefore necessary to estimate this revenue for the first six months of the calendar year and process an accrual in respect of it.

Valuation of share-based payments

The Company operates two share option schemes: an Approved EMI Share Option Scheme and an Unapproved Share Option Scheme. In calculating the charge to profit or loss in respect of options granted to employees under these schemes, the Company has applied the requirements of FRS 102 which includes making estimates for both the expected volatility of the Company's shares and the risk-free interest rate, the details of which are shown in note 21.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 £	2023 £
Product revenue and R&D income	4,459,290	4,232,829
Royalty and licence fee income	9,147,294	8,583,396
	13,606,584	12,816,225
United Kingdom	405,455	961,904
European Union	1,507,551	1,604,187
Rest of the world	11,693,578	10,250,134
	13,606,584	12,816,225

The geographical analysis of turnover reflects the location of the Company's customers. As detailed in the Chairman's and Chief Executive's statement on page 7, our customers trade internationally and the ultimate location of their customers' IVD machines, and our resultant royalty revenue, may be different.

5. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets	113,636	129,227
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	32,500	25,000
Exchange differences	42,180	36,679
Research and development costs	999,418	1,201,398

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2024 £	2023 £
Wages and salaries	1,153,004	1,001,959
Social security costs	138,056	119,075
Share option charge	89,223	174,080
Cost of defined contribution scheme	91,692	71,513
	1,471,975	1,366,627

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Management and administration	6	5
Scientific	11	11
	17	16

7. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	537,847	412,059
Company contributions to defined contribution pension schemes	50,815	36,890
	588,662	448,949

During the year retirement benefits were accruing to 1 director (2023: 1) in respect of defined contribution pension schemes.

8. Interest receivable

	2024 £	2023 £
Other interest receivable	201,962	101,094

9. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	2,526,844	1,788,254
Deferred tax		
Origination and reversal of timing differences	(20,713)	(26,052)
Taxation on profit on ordinary activities	2,506,131	1,762,202

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 25%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	10,602,849	10,134,444
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023: 25%)	2,650,712	2,533,611
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	381	341
Capital allowances for year in excess of depreciation	22,493	27,289
Amounts written off investments	45,827	-
Research and development tax credit	(214,875)	(356,784)
Share-based payments	22,306	(23,222)
Deferred tax movement	(20,713)	(26,052)
Change in tax rate during the year	-	(392,981)
Total tax charge for the year	2,506,131	1,762,202

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2024 £	2023 £
Dividends paid 158 pence per share (2023: 162 pence per share)	8,247,056	8,443,058
	8,247,056	8,443,058

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation						
At 1 July 2023	475,000	479,527	13,090	407,115	39,525	1,414,257
Additions	-	10,586	-	5,321	-	15,907
At 30 June 2024	475,000	490,113	13,090	412,436	39,525	1,430,164
Depreciation						
At 1 July 2023	156,750	382,026	8,182	263,594	27,979	838,531
Charge for the year on owned assets	7,125	41,490	3,273	56,754	4,994	113,636
At 30 June 2024	163,875	423,516	11,455	320,348	32,973	952,167
Net book value						
At 30 June 2024	311,125	66,597	1,635	92,088	6,552	477,997
At 30 June 2023	318,250	97,501	4,908	143,521	11,546	575,726

Included within land and buildings is freehold land at cost of £118,750 which is not depreciated. (2023: £118,750).

12. Fixed asset investments

	Unlisted investments
Cost or valuation	
At 1 July 2023	610,039
Impairment	(183,306)
At 30 June 2024	426,733

The value of the investment in shares of CardiNor AS was written down to nil following notification of that company's intention to file for bankruptcy which was received on 11 July 2024. Subsequently, CardiNor AS has raised further equity, thereby substantially diluting existing shareholdings, and has also stated its intention to further dilute shareholdings by the conversion of debt into equity.

13. Stocks

	2024 £	2023 £
Finished goods and goods for resale	615,345	565,366

14. Debtors

	2024 £	2023 £
Trade debtors	1,521,963	1,170,512
Other debtors	26,375	501
Prepayments and accrued income	4,661,092	4,643,748
Deferred taxation	2,489	-
	6,211,919	5,814,761

15. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	5,998,953	5,715,819

16. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	169,982	77,725
Corporation tax	1,154,816	709,259
Other taxation and social security	28,428	76,298
Accruals and deferred income	375,063	336,432
	1,728,289	1,199,714

17. Deferred taxation

	2024 £	2023 £
At beginning of year	(18,224)	(44,276)
Charged to profit or loss	20,713	26,052
At end of year	2,489	(18,224)

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	2,489	(18,224)
	2,489	(18,224)

18. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
5,219,656 (2023: 5,219,656) Ordinary shares of £0.05 each	260,983	260,983

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. Reserves

Share premium account

The share premium reserve contains the premium arising on issues of equity shares, net of issue expenses.

Capital redemption reserve

The capital redemption arose on the buy-back of shares by the Company.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Share-based payments

During the year the Company operated two share option schemes; an Approved EMI Share Option Scheme and an Unapproved Share Option Scheme to incentivise employees.

The Company has applied the requirements of FRS 102 Section 26 Share-based Payment to all the options granted under both schemes. The terms for granting share options under both schemes are the same and provide for an option price equal to the market value of the Company's shares on the date of the grant; the Approved EMI Share Option Scheme this price is subsequently agreed with HMRC Shares and Assets Valuation Division.

The contractual life of an option under both schemes is 10 years from the date of grant. Options granted become exercisable on the third anniversary of the date of grant. Exercise of an option is normally subject to continued employment, but there are also considerations for good leavers. All share-based remuneration is settled in equity shares.

20. Share-based payments (continued)

	Weighted average exercise price (pence) 2024	Number 2024	Weighted average exercise price (pence) 2023	Number 2023
Outstanding at the beginning of the year	3544	77,281	2896	51,997
Granted during the year	-	-	3855	39,708
Forfeited during the year	-	-	3855	(4,101)
Exercised during the year	-	-	1350	(10,323)
Outstanding at the end of the year	3544	77,281	3544	77,281

	2024	2023
Option pricing model used	Black Scholes	Black Scholes
Issue price	£13.50-£38.50	£13.50-£38.50
Exercise price (pence)	£13.50-£38.50	£13.50-£38.50
Option life	10 years	10 years
Expected volatility	7.459%	7.459%
Fair value at measurement date	£4.66-£26.91	£4.66-£26.91
Risk-free interest rate	1.5%	1.5%

The expected volatility for the options issued in the year to 30 June 2023 was based upon the volatility over that 12-month period.

For previous years it was based upon the historical volatility over the period since the Company's shares were listed on AIM.

The expense recognised for share-based payments during the year ended 30 June 2024 was £89,223 (2023: £174,080).

The number of staff and officers holding share options at 30 June 2024 was 16 (2023: 16). The share options have been issued to underpin staff service conditions.

21. Earnings per share

The weighted average number of shares in issue for the basic earnings per share calculation is 5,219,656 (2023: 5,212,220) and for the diluted earnings per share, assuming the exercise of all share options is 5,296,937 (2023: 5,289,501).

The calculation of the basic earnings per share is based on the profit for the period of £10,585,108 (2023: £8,372,241) divided by the weighted average number of shares in issue of 5,219,656 (2023: 5,212,220), the basic earnings per share is 155.12p (2023: 160.63p). The diluted earnings per share, assuming the exercise of all of the share options is based on 5,296,937 (2023: 5,289,501) shares and is 152.86p (2023: 158.28p).

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently adminstered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £91,692 (2023: £71,512). No contributions were owing at the year end (2023: £nil).

23. Related party transactions

During the year a dividend of £525,199 (2023: £775,764) was paid to a director and his wife.

24. Controlling party

During the year there has not been an individual controlling party.

T: +44 (0)1252 728001
E: info@bioventix.com

Postal address:
Bioventix
7 Romans Business Park
East Street
Farnham GU9 7SX

Design by: kit-studio.co.uk

Registered office
27–28 Eastcastle Street
London
W1W 8DH