

Company Registration No. 04516079

Oxford Immunotec Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the period ended
2 January 2022

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Oxford Immunotec Limited

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OXFORD IMMUNOTEC LIMITED

COMPANY INFORMATION

DIRECTORS	Mr P Keefe Mr J L Healy
COMPANY NUMBER	04516079
REGISTERED OFFICE	143 Park Drive Milton Park Abingdon Oxfordshire OX14 4SE
BANKERS	Barclays Bank plc PO Box 858 Wytham Court West Way Oxford OX2 0XP
AUDITOR	Mazars LLP 90 Victoria Street Redcliffe Bristol BS1 6DP

OXFORD IMMUNOTEC LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 JANUARY 2022

Company Registration No. 04516079

The Directors submit this report and the audited financial statements for Oxford Immunotec Limited (which may be referred to as "OI Ltd.", "the Company", "we", "us" or "our") for the period ended 2 January 2022.

PRINCIPAL ACTIVITIES

We are a global, high-growth diagnostics company focused on developing and commercialising proprietary tests for immunology and infectious disease by leveraging the technological, product development, manufacturing, quality, regulatory, and sales and marketing capabilities we have developed over our history. Our proprietary T-SPOT[®].TB test utilises our T-SPOT technology platform to test for tuberculosis, or TB, which is the leading cause of death from infectious disease worldwide.

Our recently launched T-SPOT.*Discovery* SARS CoV-2 and T.SPOT.COVID tests are used for detection of cellular immunity against the SARS CoV-2 virus. These tests can be used in conjunction with serology to determine the immune status of subjects infected with SARS-CoV-2 virus.

DIRECTORS

The directors who held office during the period and up to the date of approval of the financial statements were as follows:

Dr P J Wrighton-Smith (resigned 27 May 2022)

Mr J L Healy (appointed 26 March 2021)

Mr R A Sandberg (resigned 26 March 2021)

Mr P Keefe (appointed 27 May 2022)

RESULTS AND DIVIDENDS

The results for the period are set out on page 16. The financial statements for the period ended 2 January 2022 and the year ended 31 December 2020 have been prepared in accordance with Financial Reporting Standard, or FRS, 101, *Reduced Disclosure Framework*, or FRS 101.

The Directors did not pay a dividend in the period and do not recommend payment of a final dividend. (2020: £nil).

FINANCIAL INSTRUMENTS

The Company finances its operations with cash at bank and in hand and with intercompany loans payable, as needed. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. See "Risks in relation to the use of financial instruments" in the Strategic Report for more information.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

A qualifying third-party indemnity provision was in place for the benefit of each of our directors throughout the period. Dr Wrighton-Smith's share option awards included a "double trigger" to accelerate vesting upon a change in control and the termination of his employment with us. A change in control event is deemed to occur upon the purchase of substantially all of our outstanding shares by, or the sale of substantially all of our assets to, a third party. Such a triggering event occurred in March 2021 with the OI Group's acquisition by PerkinElmer, Inc.

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GOING CONCERN

In making their determination of the going concern status of the Company, the Directors have duly considered the ongoing impacts of the global COVID 19 pandemic on the future operations of the business. These are described in the Strategic Report in the 'Principal risks and uncertainties' section. The Directors do not believe that the continuing impact of COVID-19 will be sufficient to cast doubt over the going concern status of the Company.

The Directors have received a letter of financial support from the Company's ultimate parent and controlling party, PerkinElmer, Inc., extending for at least 12 months from the date of signing the financial statements.

Having reviewed cash flow forecasts for the Company for the 12-month period following the date of signing the financial statements, and with parental financial support in place, the Directors have a reasonable expectation that OI Ltd. has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

STRATEGIC REPORT

The Directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the Directors consider these are of strategic importance to the Company. The areas of strategic importance discussed within the Strategic Report include financial, commercial, credit, market and regulatory risks and their impact on profitability and future cash flows and how those risks are mitigated. Further to these risk areas, research & development and future developments are also discussed within the Strategic Report.

FOREIGN BRANCHES

We have branches in Singapore and Seoul, South Korea.

PRIOR-PERIOD ADJUSTMENT

During the period it came to light that the company has an obligation to make good on its leased properties and restore them to the condition they were in at the lease inception date. A provision has been recorded in the current period to reflect this and the value of the right-of-use assets corresponding to each property has been adjusted. Since the lease inception date was before the start of the financial period, and the obligation existed at that point, a prior period adjustment has also been recorded. The value recorded to reduce the value of retained earnings is £499,000.

An over-valuation in of raw materials recorded in previous periods was uncovered as part of the Company's transition to a new ERP system during the period. The value recorded to reduce the value of retained earnings is £528,000.

During the company's annual assessment of the value of investments in subsidiaries an impairment indicator was noted for the company's investment in in Oxford Immunotec KK in Japan. An impairment of £6,526,000 was calculated. The impairment indicator was present in 2020 and so the impairment charge should have been recorded in the prior year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all necessary steps in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Directors' Report was approved by the Board on 21 December 2022.

On behalf of the board



Mr P. Keefe
Director
21 December 2022

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 2 JANUARY 2022

INTRODUCTION

The Company is required to produce a Strategic Report complying with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 (the "Regulations"). OI Ltd. is incorporated in the United Kingdom (U.K.).

We are a global, high-growth diagnostics company focused on developing and commercialising proprietary tests for immunology and infectious disease by leveraging the technological, product development, manufacturing, quality, regulatory, and sales and marketing capabilities we have developed over our company's history. Our proprietary T-SPOT®¹ tests utilise our T-SPOT technology platform to test for TB, which is the leading cause of infectious disease death worldwide, and COVID-19. Alongside this, we have also developed reagents and methods to purify white blood cells for use in immunology assays. When used in conjunction with a T-SPOT test, these reagents extend blood stability of samples for our test and/or enable workflow automation.

Impact of COVID-19 on our business

As the COVID-19 pandemic continues to impact global populations and economics, we continue to evaluate its impact on both the broad diagnostics market, and on the Company's operations and financial condition more particularly. Given the importance of supporting patients with TB, which continues to be a leading cause of infectious disease death worldwide, we continue to diligently work with our suppliers, healthcare providers and partners to provide patients with access to our diagnostic tests, while taking into account regulatory, institutional and government guidance, policies and protocols. COVID-19 has affected the global economy as a whole, including the economies and industries in which we operate. 2021 is the second financial year which has been impacted by the COVID-19 pandemic. Uncertainties regarding the ongoing public health effects of the outbreak of COVID-19 has caused a re-prioritization of public health activities. COVID-19 has continued to affect our sales, sources of supply and operations, along with the operations of our suppliers, other partners and customers, particularly as COVID-19 protocols and resources have restricted patient access to hospitals, physicians' offices and other testing sites. Additionally, COVID-19 has restricted our sales representatives' access to these sites. As a result, COVID-19 has impacted our performance during the period.

Our U.K. laboratory and manufacturing facilities have remained open to required personnel throughout the pandemic and mandated safety protocols are in place. Our remaining personnel are now operating a largely hybrid working pattern.

The ultimate impacts of COVID-19 on our business are currently unknown and the challenges posed by COVID-19 on our business are expected to evolve. While restrictions put in place to control the spread of COVID-19 have been phasing out in many places, this varies by geography with some countries, such as the United Kingdom, having almost no restrictions in place whereas others such as China continue to have full restrictions. We are continuing to actively monitor the situation and may take precautionary and pre-emptive actions that we determine are in the best interests of our employees and our business. We cannot predict the effects that such actions may have on our business or on our financial results, in particular with respect to demand for our products.

We had 184 employees on 2 January 2022, including sales and marketing teams and a laboratory in the United Kingdom. Our T-SPOT.TB test is approved for commercial sale in over 50 countries. Our current customer base includes hospitals, the National Health Service, commercial testing laboratories, importers and distributors

Impact of the Russian invasion of Ukraine

Supplies to our distributor in Russia, and receipt of payments from them, have not been affected by the Russian invasion of Ukraine. The supply of our products, which are vital for the protection of public health, is not affected by international sanctions on humanitarian grounds.

¹ "T-SPOT®", "T-Cell Xtend®", "Oxford Diagnostic Laboratories®", "ODL®", "Immunetics®", the Oxford Immunotec logo, our laboratory logo and other marks are our trademarks. Solely for convenience, trademarks and trade names referred to in this Annual Report, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

REVIEW OF THE BUSINESS

Overview

We currently offer our range of T-SPOT tests as *in vitro* diagnostic kits globally, meaning we sell test kits and associated accessories to laboratories that perform the testing themselves. We have also established a clinical testing laboratory in the United Kingdom, where we perform our T-SPOT tests on samples sent to us by customers. We market our service offering under the name Oxford Diagnostic Laboratories[®], or ODL[®].

Our approach to each country is based on opportunity size, health systems characteristics and maturity of its programs to fight each disease we sell diagnostic tests for. We prefer to establish direct connections with end customers in the most important markets. Today, we market our T-SPOT tests directly in the United States, China, Japan and many countries in Europe. In these countries, we use a combination of sales managers, sales representatives, customer service staff and technical experts to interact with clinicians, nurses, administrative staff, laboratories and other groups who are involved in the implementation of screening programs. Outside of these territories, we have contracted with distributors who market and sell our test. Our current customer base includes hospitals, commercial testing laboratories, importers and distributors.

Our goal is to educate these groups about the clinical, operational and economic benefits of switching to our T-SPOT test. Our customer service staff and technical experts are also involved in the practical training of customers to perform and order our T-SPOT test as well as providing ongoing customer support. In addition to these teams, we offer a diverse array of awareness-raising and educational activities, which include advertising, medical education and attendance at scientific meetings.

We generated a loss after taxation of £22.9 million and £41.2 million during the period ended 2 January 2022 and year ended 31 December 2020, respectively. Turnover for the period ended 2 January 2022 was £50.4 million and for the year ended 31 December 2020 was £40.4 million.

Our key financial and other performance indicators during the period ended 2 January 2022 and year ended 31 December 2020 were as follows:

	2021	2020 restated	Change %
	£'000	£'000	
Turnover	50,368	40,367	25%
Operating (loss)	(21,895)	(16,225)	35%
(Loss) after taxation	(22,877)	(41,428)	(45%)
Shareholder's funds	6,393	27,238	(77%)
Average number of employees	184	157	17%

Turnover increased by 25% in the period reflecting the partial recovery from the impact of COVID-19 on the global diagnostic testing market for non-COVID-19 diseases and the launch of our COVID-19 testing products and services.

The reduction in our 2021 loss after taxation from our 2020 loss after taxation shows the slow recovery of our business after the impact of COVID-19.

Shareholder's funds decreased largely due to the loss after taxation for the period.

The average number of employees increased during 2021, primarily due to increases in employees developing our products and continued investment in sales and marketing activity.

As of 2 January 2022, we had cash at bank and in hand of £4.9 million (2020: £13.1 million).

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Financial

We generated losses in 2021 and 2020. Because of the numerous risks and uncertainties associated with developing and commercialising diagnostic products, we cannot be certain that we will be able to regain and sustain profitability. Our ability to generate profits on sales of our T-SPOT tests is subject to market acceptance in market segments we currently serve, as well as in new market segments and new geographies, and our ability to obtain regulatory body clearance to market any of our products. In addition, we may be compelled to sell our T-SPOT tests at lower prices if, for example, our customers or prospective customers are unwilling to pay for our tests at current pricing levels or as a result of increased competition generally; it could also cause us to lose customers or not be able to gain customers at previous rates. If we are unable to generate sufficient revenue, we will not become profitable and may be unable to continue operations without continued funding.

COVID-19 Pandemic

Our directors continually evaluate the policies and strategies needed to continue our revenue growth. As the COVID-19 pandemic continues to spread and impact global populations and economies, we continue to evaluate the impact of COVID-19 on both the broad diagnostics market, and on the Group's operations more particularly. Given the importance of supporting patients with tuberculosis, which continues to be a leading cause of infectious disease death worldwide, we are diligently working with our suppliers, healthcare providers and partners to provide patients with access to our diagnostic tests, while taking into account regulatory, institutional, and government guidance, policies and protocols. COVID-19 has affected the global economy as a whole, including the economies and industries in which we operate. Uncertainties regarding the scope and impact of the outbreak of COVID-19 has caused a re-prioritization of public health activities. This has impacted our sales, sources of supply and operations, along with the operations of our suppliers, other partners and customers, particularly as COVID-19 protocols and resources have restricted patient access to hospitals, physicians' offices and other testing sites. Additionally, COVID-19 has restricted our sales representatives' access to these sites. As a result, COVID-19 has impacted our current performance and continues to represent a risk to our future performance.

The ultimate impacts of COVID-19 on our business are currently unknown. We are actively monitoring the situation and may take precautionary and pre-emptive actions that we determine are in the best interests of our business. We cannot predict the effects that such actions may have on our business or on our financial results, in particular with respect to demand for our products.

Sales and Distribution

We face significant challenges and risks in managing our geographically dispersed sales and distribution network and retaining the individuals who make up that network. If a substantial number of our direct sales representatives were to leave us within a short period of time, or if a substantial number of our independent distributors were to cease to do business with us within a short period of time, our sales could be adversely affected.

Customers

Certain of our customers account for a significant portion of our revenue. In the event that any significant customer substantially reduces its purchases of our products, our results of operations could be materially and adversely affected.

Suppliers

We depend upon a limited number of suppliers, and certain components of our product may only be available from a sole source or limited number of suppliers. Even if the key components that we source are available from other parties, the time and effort involved in obtaining any necessary regulatory approvals for substitutes could impede our ability to replace such components timely or at all. The loss of a sole or key supplier would impair our ability to deliver products to our customers in a timely manner, adversely affect our sales and operating results and negatively impact our reputation. We work closely with our suppliers to assure continuity of supply while maintaining high quality and reliability.

Facilities

We currently perform our tests for our service offering exclusively in our laboratory in the U.K. We also manufacture our tests in one location. If either facility or any future facilities or our equipment were damaged or

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

destroyed, or if we experience a significant disruption in our operations for any reason, our ability to continue to operate our business could be materially harmed. We maintain insurance coverage against damage to our property and equipment and to cover business interruption and research and development restoration expenses, subject to deductibles and other limitations, to manage this risk.

Regulatory

Our T-SPOT.TB test, and any new product candidates will be, subject to extensive government regulations related to development, testing, manufacturing and commercialisation in the U.S. and other countries before we can sell in these markets. The process of obtaining and complying with governmental regulatory approvals and regulations is costly, time consuming, uncertain and subject to unanticipated delays.

In addition, some international jurisdictions, such as China, require periodic recertification. Even if we obtain initial certifications from regulatory bodies, we may lose certification after a periodic review. Failure to maintain requisite certifications from regulatory bodies would adversely affect our ability to generate future revenue and operating income.

We have the experience and capability to gain regulatory clearance to manufacture and sell products meeting the regulatory requirements of numerous countries around the world. We employ experienced and highly educated personnel and continuously monitor compliance with regulatory requirements.

Intellectual Property

In developing, manufacturing and using our T-SPOT tests, we employ a variety of proprietary and patented technologies, including technologies we license from third parties. We have licensed, and expect to continue to license, various other technologies and methods. We cannot provide any assurance that the intellectual property rights that we own or license provide protection from competitive threats or that we would prevail in any challenge mounted to our intellectual property rights. In addition, we cannot provide any assurances that we will be successful in obtaining and retaining licenses or proprietary or patented technologies in the future. Further, our products may infringe or be claimed to infringe patents or other intellectual property rights owned by other parties and we may be unable to secure necessary licenses to enable us to continue to manufacture or sell our products. We seek to secure and maintain protection of the proprietary aspects of our technology platform and of our existing and planned products. We rely on a combination of patents, trademarks, trade secret and other intellectual property laws, and confidentiality, license and invention assignment agreements and other contracts to protect our intellectual property rights.

Risks in Relation to the Use of Financial Instruments

We are exposed to market risks in the ordinary course of our business. These market risks are principally limited to interest rate fluctuations, capital market fluctuations, foreign currency exchange rate fluctuations, and credit risk, as discussed below.

Interest rate fluctuations

Changes in the general level of European interest rates expose OI Ltd. to interest rate risk. These changes could affect our interest income and interest expense. However, our cash and cash equivalents are invested in interest-bearing savings and money market accounts, and we do not enter into investments for trading or speculative purposes.

Capital market fluctuations

Our cash and cash equivalents are invested in interest-bearing savings. We do not enter into investments for trading or speculative purposes. We do not believe capital market fluctuations would have a material effect on the fair market value of our portfolio.

Foreign currency exchange rate fluctuations

We are exposed to foreign exchange rate risk because we currently operate in three major regions of the world: the United States, Europe and rest of world, and Asia, and our turnover is denominated in multiple currencies, including the Pound Sterling, the Euro, the U.S. Dollar, the Japanese Yen, and the Chinese Yuan. As we continue to grow our business outside the United Kingdom, our results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. To date, we have not entered into any foreign currency hedging contracts although we may do so in the future.

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

Credit risk

Our customer base consists of hospitals, the National Health Service, commercial testing laboratories, importers and distributors. To date, we have had minimal experience of bad debts.

EMPLOYEES

As of 2 January 2022, we had 184 employees (2020: 157) including our Chief Executive Officer who was also a Statutory Director. None of our employees are covered under a collective bargaining agreement. We have not experienced any work stoppages and we believe our employee relations are good.

STAKEHOLDER ENGAGEMENT

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies' Act 2006.

The directors of Oxford Immunotec Limited consider, both individually and together, that they have acted in good faith, in a way that would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Act) in the decisions taken during the period ended 2 January 2022. For the period covered by these financial statements, in particular, the directors had due regard to the impact on the business' employees, relationships with suppliers, customers and others of the sale of the group's business to PerkinElmer. The directors have ensured that the business has continued to run smoothly and that the benefits of being part of a wider group can be felt by all the company's stakeholders.

The consideration given to our employees, business relationships, customers and others, and the impact of the Company's operations on the environment, during the decision-making process are described below.

ENVIRONMENTAL MATTERS

Our operations require the use of hazardous materials, which, among other matters, subjects us to a variety of federal, state, local and foreign environmental, health and safety laws, regulations and permitting requirements, including those relating to the handling, storage, transportation and disposal of biological and hazardous materials and wastes. The primary hazardous materials we handle, or use include human blood samples and solvents. Some of the regulations under the current regulatory structure provide for strict liability, holding a party liable for contamination at currently and formerly owned, leased and operated sites and at third-party sites without regard to fault or negligence. We could be held liable for damages and fines as a result of our, or others', operations or activities should contamination of the environment or individual exposure to hazardous substances occur. We could also be subject to significant fines for failure to comply with applicable environmental, health and safety requirements. We cannot predict how changes in laws or development of new regulations will affect our business operations or the cost of compliance.

GREENHOUSE GAS REPORT

Our greenhouse gas emission estimates for 2021 have been prepared in accordance with the UK Government's Department for Environment, Food and Rural Affairs (DEFRA) guidance document Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (2019a).

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STRATEGIC REPORT (CONTINUED)
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Greenhouse gas emissions for the Group appear in the table below.

Source	Tonnes carbon dioxide equivalent (tCO ₂ -e)	
	Year Ended 31 December	
	2021	2020
Estimated greenhouse gas emissions from our own activities, including the combustion of fuel and the operation of our facilities	16	42
Estimated greenhouse gas emissions from purchased electricity, heat, steam or cooling for own use	712	308
Other indirect emissions – waste disposal	312	Not available
Total estimated greenhouse gas emissions	1,040	350
Intensity ratio: Total greenhouse gas emissions per \$1million revenue	20.65	8.68

The quantity of energy consumed in the year by the Company, comprising activities involving the combustion of fuel and operating our facilities, and from purchasing electricity, heat and cooling was 3,435,724 kWh (2020: 1,055,081 kWh).

Our reporting boundary has been determined using the “Operational Control” approach. Reportable activity data has been captured based on our internal systems. Standard emission factors from Defra’s GHG Conversion Factor Repository were applied to estimate emissions. Our estimate reflects use of coolant gases for refrigeration purposes, emissions from vehicle use in the U.K. and emissions attributed to purchased electricity and natural gas.

Electricity usage at our two UK facilities in Abingdon were our most significant sources of greenhouse gas emissions in 2021. The increase in greenhouse gas emissions from 2020 arose primarily as a result us moving into one of the Abingdon facilities at the end of 2020. Some activity data relating to emissions from our reportable activities were not recorded and consequently were unavailable. This includes fuel used for back-up generators at our current U.K. laboratory. We believe the missing data result only in an immaterial under-estimation of the reported greenhouse gas emissions estimate.

During the year, the Group has undertaken the following activities for the purpose of increasing the Group’s energy efficiency:

- More of the site’s waste is being recycled

No other measures have been taken in fiscal year 2021; however, it should be noted that the company vacated a site in Abingdon at the end of 2021 and so emissions are expected to be significantly lower in 2022.

We also note that due to the COVID-19 pandemic, Oxford Immunotec has improved video conference capabilities, which has eliminated the need for most international travel since March 2020. During this period, a significant proportion of staff have been working from home, reducing energy consumption in the office.

EMPLOYEES

Meetings are held with employees to discuss the operations and progress of the business and employees are encouraged to become involved in the success of the Company through share option schemes (see Note 26 – Share Based Payments) and all employees participate in a bonus scheme whereby they receive an annual payment based on the performance of the business. Board members interact with employees of all Company affiliates and

OXFORD IMMUNOTEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

regularly visit the Company's facilities, thereby providing opportunities to engage in meaningful discussions with employees at all levels within the organisation.

Diversity

Appointments within the Company are made on merit according to the balance of skills and experience offered by prospective candidates. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age. A breakdown of the employment statistics as at 2 January 2022 is as follows:

<i>Position</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Director	1	0	1
Senior Manager	16	10	26
Other Employees	62	95	157
Total Employees	79	105	184

CUSTOMERS AND SUPPLIERS

Building strong relationships with customers and suppliers is a core part of the Company's values. We endeavour to ensure that all our customer relationships are based on mutual trust and support, and with the highest ethical standards. We work with all our customers, both large and small, to ensure they meet their local regulatory needs and produce high quality results.

Maintaining good supplier relationships is important to our business, and to the business of many of our suppliers. We work closely with them to ensure a smooth supply chain. As a consequence of the UK leaving the EU on 31 January 2020, we have continued to work closely with our suppliers as they navigate the new trade compliance rules in the European Union., with a view to mitigating the effect on our mutual businesses. We are also supporting our suppliers during the current uncertain economic environment by continuing to purchase and keep the supply chain open.

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

The Company endeavours to impact positively on the communities in which it operates. The Company does not, at present, have a specific policy on human rights. However, we have several policies that promote the principles of human rights. We will respect the human rights of all our employees, including:

- Provision of a safe, clean working environment,
- Ensuring employees are free from discrimination and coercion,
- Not using child or forced labour, and
- Respecting the rights of privacy and protecting access and use of employee personal information.

We also have an equal opportunities policy and a dignity at work policy, both of which promote the right of every employee to be treated with dignity and respect and not to be harassed or bullied on any grounds.

OXFORD IMMUNOTEC LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

We have code of business and conduct and ethics that all our employees must follow, and processes in place to monitor compliance with the policy. We also utilise an independently provided, confidential compliance hotline that is accessible via telephone and a website for employees to raise matters of concern in relation to fraud, dishonesty, corruption, theft, security and bribery, and all claims are fully investigated. We will not tolerate corruption, bribery and anticompetitive actions and we expect our suppliers to comply with applicable laws and regulations and in particular never to offer or accept any undue payment or other consideration, directly or indirectly, for the purposes of inducing any person or entity to act contrary to their prescribed duties.

FUTURE DEVELOPMENTS

Our directors continually evaluate the policies and strategies needed to continue our revenue growth. As the COVID-19 pandemic subsides, we continue to evaluate the impact of COVID-19 on both the broad diagnostics market, and on the Company's operations more particularly as well as continuing to invest in new developments both within and outside of TB diagnostics. COVID-19 has affected the global economy as a whole, including the economies and industries in which we operate; restricting our sales representatives' access to sales sites the ability of our customers to run out diagnostic tests and in some markets the ability of patients to access healthcare. As a result, COVID-19 has impacted our 2021 performance and continues to represent an ever-decreasing risk to our future performance.

SUBSEQUENT EVENTS

On 14 July 2022, the company announced a restructuring programme, to relocate the finance function to Krakow, Poland. The costs associated with the relocation are to be borne by the ultimate parent company, PerkinElmer, Inc.

On 30 June 2022, the company vacated its premises at 94c Innovation Drive, Abingdon, UK. The company paid £165,000 in dilapidation costs.

On behalf of the board,



Mr P Keefe
Director
21 December 2022

OXFORD IMMUNOTEC LIMITED

DIRECTORS' RESPONSIBILITIES IN PREPARING THE FINANCIAL STATEMENTS

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 101 'Reduced Disclosure Framework'. *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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable U.K. Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

OXFORD IMMUNOTEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER FOR THE PERIOD ENDED 2 JANUARY 2022

Opinion

We have audited the financial statements of Oxford Immunotec Limited (the 'company') for the period ended 2 January 2022 which comprise the Statement of Comprehensive Loss, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework (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 2 January 2022 and of its loss 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 "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Without qualifying our opinion, we draw attention to the accounting policies on page 20 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company was entitled to exemption from audit.

Conclusions relating to going concern

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

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

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

OXFORD IMMUNOTEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER FOR THE PERIOD ENDED 2 JANUARY 2022

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OXFORD IMMUNOTEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER FOR THE PERIOD ENDED 2 JANUARY 2022

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

OXFORD IMMUNOTEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER FOR THE PERIOD ENDED 2 JANUARY 2022

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to impairment of non-financial assets, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Barnard (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

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OXFORD IMMUNOTEC LIMITED
STATEMENT OF COMPREHENSIVE LOSS
FOR THE PERIOD ENDED 2 JANUARY 2022

	Notes	2021	2020 Unaudited (Restated)
		£'000	£'000
TURNOVER	3	50,368	40,367
Cost of sales		(10,271)	(10,142)
GROSS PROFIT		40,097	30,225
Grant income	4	36	72
Other income	4	779	—
Other operating expenses	5	(62,808)	(46,522)
OPERATING LOSS	6	(21,896)	(16,225)
Interest payable	7	(530)	(704)
Interest receivable	8	—	1,565
Impairment on investments	15	(426)	(27,768)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(22,852)	(43,132)
Taxation	11	(25)	1,704
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(22,877)	(41,428)

The Statement of Comprehensive Loss has been prepared on the basis that all operations are continuing operations.

	Note	2021	2020 Unaudited (Restated)
		£'000	£'000
Loss for the financial period		(22,877)	(41,428)
Movement on tax on items in equity		—	34
Total comprehensive loss for the period		(22,877)	(41,394)

OXFORD IMMUNOTEC LIMITED
BALANCE SHEET
AS AT 2 JANUARY 2022

		At 2 January 2022	At 31 December 2020 Unaudited (Restated)
	Notes	£'000	£'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	2,251	1,715
Tangible fixed assets	13	6,158	5,308
Right of use assets	14	6,244	7,126
Investments	15	39,797	40,224
TOTAL NON-CURRENT ASSETS		54,450	54,373
CURRENT ASSETS			
Stocks	17	9,846	8,633
Trade debtors		8,930	2,152
Other debtors	18	841	1,084
Corporation tax debtor		1,699	2,336
Cash at bank and in hand		4,924	13,069
TOTAL CURRENT ASSETS		26,240	27,274
TOTAL ASSETS		80,690	81,647
LIABILITIES			
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	19	(5,429)	(5,925)
Short term portion of leases payable	23	(397)	(903)
Amounts owed to group undertakings		(60,324)	(39,370)
TOTAL CURRENT LIABILITIES		(66,150)	(46,198)
NET CURRENT LIABILITIES		(39,910)	(18,924)
TOTAL ASSETS LESS CURRENT LIABILITIES		14,540	35,449
NON-CURRENT LIABILITIES			
Provisions	20	(2,751)	(2,821)
Long term portion of leases payable	23	(5,396)	(5,390)
TOTAL LIABILITIES		(74,297)	(54,409)
NET ASSETS		6,393	27,238

OXFORD IMMUNOTEC LIMITED
BALANCE SHEET (CONTINUED)
AS AT 2 JANUARY 2022

		At 2 January 2022	At 31 December 2020 Unaudited (Restated)
	Notes	£'000	£'000
EQUITY			
Share capital	22	10	10
Capital contribution reserve	27	1,350	1,350
Share option reserve	27	—	2,523
Retained earnings	27	5,033	23,355
		<u>6,393</u>	<u>27,238</u>

The financial statements on pages 16 to 18, and the accompanying notes to the Financial Statements were approved by the Board of Directors and authorised for issue on 21 December 2022 and are signed on its behalf by:



Mr P Keefe
Director
21 December 2022

OXFORD IMMUNOTEC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2022

	Share capital £'000	Capital contribution reserve £'000	Share option reserve £'000	Retained earnings (deficit) £'000	Total £'000
BALANCE AT 1 JANUARY 2020 as previously stated	10	1,350	547	64,793	66,700
Prior year adjustment (See Note 29)	—	—	—	(44)	(44)
BALANCE AT 1 JANUARY 2020 (Restated)	10	1,350	547	64,749	66,656
Loss for the period	—	—	—	(41,428)	(41,428)
Other comprehensive income	—	—	—	34	34
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	—	—	—	(41,462)	(41,462)
Share based payment	—	—	1,976	—	1,976
BALANCE AT 31 DECEMBER 2020 (Restated)	10	1,350	2,523	23,355	27,238
BALANCE AT 31 DECEMBER 2020 as previously stated	10	1,350	2,523	30,908	34,791
Prior year adjustment (See Note 29)	—	—	—	(7,553)	(7,553)
	10	1,350	2,523	23,355	27,238
Loss for the period	—	—	—	(22,877)	(22,877)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	—	—	—	(22,877)	(22,877)
Share based payment	—	—	2,032	—	2,032
Reserves transfer	—	—	(4,555)	4,555	—
BALANCE AT 2 JANUARY 2022	10	1,350	—	5,033	6,393

The reserves transfer in the period has arisen due to the closure of the Oxford Immunotec share schemes and cancellation of all outstanding awards. See Note 26 for further details.

OXFORD IMMUNOTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES

CORPORATE INFORMATION

Oxford Immunotec Limited (“the Company” or “OI Ltd.”) is a private company limited by shares that is domiciled and incorporated in England and Wales. The address of the Company’s registered office and principal place of business is 94C Innovation Drive, Milton Park, Abingdon, Oxfordshire, OX14 4RZ.

A description of the Company’s principal activities is provided in the Directors’ Report on pages 1-2. The nature of the Company’s operations is discussed in the Strategic Report on pages 3-9.

Oxford Immunotec Limited’s parent company, Oxford Immunotec Global Limited, was acquired by the PerkinElmer, Inc group on 8 March 2021. As a result, the Company’s cash reserves were transferred to the group’s treasury function, and can be called upon by the Company, as required.

The Directors have received a letter of financial support from PerkinElmer, Inc. extending for at least 12 months from the date of signing the financial statements.

Having reviewed cash flow forecasts for the Company for the 12-month period following the date of signing the financial statements, and with parental financial support in place, the Directors have a reasonable expectation that OI Ltd. has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

The Company is exempt, by virtue of Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements as it is a wholly owned subsidiary of PerkinElmer, Inc., a company incorporated in the U.S.A., and is included in the publicly available consolidated financial statements of this entity. Therefore, these financial statements present information about the Company and not its group. The consolidated group financial statements can be obtained from www.perkinelmer.com.

The PerkinElmer group utilises a 52-week annual reporting period, rather than one calendar year. In order to align with the parent’s calendar, the financial statements for 2021 have been drawn up from the period 1 January 2021 to 2 January 2022. The results, therefore, will not be completely comparable with the previous reporting period presented in these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 21 December 2022. The Board of Directors has the power to amend the financial statements after issue, if applicable.

The significant accounting policies, which have been used in the preparation of these financial statements, are set out below.

BASIS OF ACCOUNTING

The financial statements for the period ended 2 January 2022 and year ended 31 December 2020 have been prepared in accordance with U.K. Financial Reporting Standard 101 (“FRS 101”). In addition, the financial statements have been prepared under the historical cost convention (unless a fair value basis is required by FRS 101) and are in accordance with the Companies Act 2006.

The financial statements for the year ended 31 December 2020 were not audited as the company was entitled to claim exemption from audit for that period

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

In preparing the financial statements, the Company applied the following exemptions, as permitted under FRS 101:

- exemption from preparing a Statement of Cash Flows as required by International Accounting Standards, or IAS 7, *Statement of Cash Flows*;
- exemption from most of the share-based payments disclosures as required by International Financial Reporting Standards, or IFRS, 2, *Share based Payment*;
- exemption from the listing of new or revised standards that have not been adopted (and information about their likely impact) as required by IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*;
- exemption from many of the disclosures required under IFRS 3, *Business Combinations*;
- exemption from the disclosure requirements of IFRS 13, *Fair Value Measurement*;
- exemption from the disclosure requirements of paragraph 17 of IAS 24, *Related Party Disclosures*, and the requirements to disclose related party transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned;
- exemption from the presentation of comparative information as required by IAS 1, *Presentation of Financial Statements*;
- exemption from the capital management disclosure requirements of IAS 1, *Presentation of Financial Statements*;
- exemption from the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, *Impairment of Assets*; and
- exemption from the requirements of paragraphs 62, B64(d), B64(c), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, *Business Combinations*
- revenue disclosures, including: -
 - Disaggregated and total revenue from contracts with customers; {FRS 101.8(eA), IFRS 15.113(a), 114 & 115}
 - Explanation of significant changes in contract assets and liabilities; {FRS 101.8(eA), IFRS 15.118}
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred; {FRS 101.8(eA), IFRS 15.119(a)to(c)}
 - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised; {FRS 101.8(eA), IFRS 15.120-122}
 - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract; {FRS 101.8(cA), IFRS 15.123,125 & 127(a)}
 - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract; {FRS 101.8(cA), IFRS 15.124, 126 & 127(b)}
- lease disclosures, including:
 - Information about leases, for which the Company is a lessee

FOREIGN CURRENCY TRANSLATION

The Company's functional currency has been determined as the Pound Sterling. The financial statements are presented in Pounds Sterling. Monetary amounts in these financial statements are rounded to the nearest £1,000.

Cash-related foreign currency transaction gains or losses, arising from exchange rate fluctuations on balances denominated in currencies other than Pound Sterling, are included in "Net interest (payable)/receivable" in the Statement of Comprehensive Income. Non-cash foreign currency transaction gains or losses are included in "Other operating expenses" in the Statement of Comprehensive Income.

OXFORD IMMUNOTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

TURNOVER RECOGNITION

The Company's turnover includes product and service revenues. Product revenue from diagnostic test kit sales and related accessories is typically recognised at a point in time based upon the amount of consideration to which the Company expects to be entitled. For sales made with variable consideration, such as discounts, refunds, incentives, or other similar items, changes to the transaction price will be re-assessed at each reporting period until a final outcome is determined. Service revenue is recorded based upon contractually established billing rates and recognised upon delivery of test results to the customer. Revenue from sales of goods is recognised either upon shipment or delivery, depending on the terms in the contract.

For each arrangement that results in revenues, the Company first identifies all performance obligations. Then, in order to determine the transaction price, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. The Company constrains (reduces) the estimates of variable consideration such that there is only a remote possibility that a significant reversal of previously recognised revenue will occur. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period.

For the period ended 2 January 2022, the Company had no material contract assets, contract liabilities or deferred contract costs recorded on the Consolidated Balance Sheet as of 2 January 2022. The Company generally expenses sales commissions when incurred because the amortisation period would be less than one year.

There are no contractual or constructive obligations for returns, refunds or similar obligations. Revenue expected to be recognised in any future year related to remaining performance obligations is not material.

Taxes assessed by governmental authorities on revenue, including sales and value added taxes, are recorded on a net basis (excluded from revenue) in the consolidated statements of operations.

COST OF SALES

Cost of product sales consists primarily of costs incurred in the production process, including costs of raw materials and components, assembly labour and overhead, quality costs, royalties paid under licensing agreements and packaging and delivery costs.

Cost of service sales consists primarily of costs incurred in the operation of OI Ltd.'s diagnostic laboratory including labour and overhead, kit costs, quality costs, consumables used in the testing process and packaging and delivery costs.

SHIPPING AND HANDLING

The Company generally bills product customers for shipping and handling and records the customer payments as product turnover. The associated costs are recorded as cost of product sales.

The Company does not normally bill its service customers for shipping and handling charges. Charges relating to inbound and outbound freight costs are incurred by the Company and recorded within cost-of-service sales.

PATENTS

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives. Patents have a useful life of between 5 and 10 years.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses include direct costs and an allocation of indirect costs, including amortisation, depreciation, rent, supplies, insurance, and repairs and maintenance. Research and development expenses include all costs associated with the development of OI Ltd.'s T-SPOT technology platform and potential future products, including new diagnostic tests that utilise the T-SPOT technology platform and are charged to expense until, based on management's judgement, technological and economic feasibility is confirmed. Amounts capitalised are amortised to research and development expense over a period of 10 years using the straight-line method. Development costs of £157,000 were capitalised in 2021 (2020: £134,000). The Company has a total of £285,000 of development costs on its balance sheet as of 2 January 2022 (2020: £171,000). Please see Note 12 "Intangible fixed assets" for additional details.

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows: -

Leasehold improvements	3 – 10 years straight line
Plant and machinery	3 – 10 years straight line
Fixtures, fittings and equipment	3 – 10 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

IMPAIRMENT OF FIXED ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's tangible, intangible and right-of-use assets fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on the time value of money. Risks specific to the assets are included in the determination of cash flows.

Assets that have suffered an impairment are tested for possible reversal of the impairment at each reporting date if indications exist that impairment losses recognised in prior periods no longer exist or have decreased.

CONTINGENT LIABILITIES

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events not fully within the control of the Company. A contingent liability recognised in a business combination is initially measured at its fair value. Such liability is adjusted to fair value at each reporting date, with the offset reflected in change in fair value of contingent purchase price consideration.

OXFORD IMMUNOTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold property 2 to 11 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section 'Impairment of fixed assets'.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

PROVISIONS

The Company leases certain properties, for which the lease contract requires the Company to return the property to the landlord in the same condition as at the start of the lease, when the lease terminates. This obligation requires the Company to estimate the costs to rectify the property and record the liability as a provision. The provision is recorded at its present value and a corresponding asset is recorded within tangible fixed assets – leasehold improvements. The asset is depreciated over the term of the lease, and an interest charge on the provision is calculated using the effective interest method. The provision is re-assessed at each balance sheet date and adjusted accordingly. The asset is assessed for impairment alongside other long-term assets.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Fixed asset investments comprise investments in subsidiaries and are stated at cost less provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

CASH AT BANK AND IN HAND

The Company considers all highly liquid investments purchased with maturities at acquisition of three months or less to be cash equivalents.

The Company holds bank accounts in the United States, United Kingdom and Germany. The Company maintains deposits in government insured financial institutions in excess of government insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

STOCKS

Stocks consist of finished goods, work in process and raw materials.

Stock is initially recorded at cost. Stock is stated at the lower of cost or net realisable value. Cost is determined by the actual cost of components by batch plus estimated labour and overhead costs per unit. Net realisable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company reviews the components of its inventory on a periodic basis for excess, obsolete or impaired inventory, and records a provision for the identified items. At 2 January 2022 the Company had an inventory provision of £530,000 (2020: £111,000).

INTERCOMPANY BALANCES

Amounts owed by, and to, group undertakings are unsecured and interest free. As such loans are not made on normal commercial terms, they are initially recorded at fair value and subsequently recorded at amortised cost. Where the Company is the lender, the difference between the loan amount and fair value is recorded as an investment in the group undertaking. Where the Company is the recipient of the loan, the difference between the loan amount and the fair value is recorded as a capital contribution within reserves (described as "Capital contribution from group undertakings" in the Statement of Changes in Equity).

RETIREMENT BENEFITS

The Company operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Company. The annual contributions payable are charged to the Profit and Loss Account.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures certain financial assets and liabilities initially at fair value based on the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. As of 2 January 2022, and 31 December 2020, the Company's financial instruments consist of cash, trade debtors, trade creditors, accrued liabilities and balances to and from group undertakings. At 2 January 2022 and 31 December 2020 all financial instruments are subsequently measured at amortised cost which, in the opinion of the directors, approximates their fair value.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the Balance Sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL ASSETS

Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Initial and subsequent measurement of financial assets

Cash and cash equivalents

The company considers all highly liquid investments purchased with maturities at acquisition of three months or less to be cash equivalents. The company maintains its available cash balances in cash, and bank savings accounts in the United States, United Kingdom and Germany. The company maintains deposits in government insured financial institutions in excess of government insured limits. Management believes that the company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest, or EIR, method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable, net in the profit and loss account. The losses arising from impairment are recognised in the profit and loss account in other operating expenses.

Trade debtors

Trade debtors are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Other receivables are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method. Trade debtors are primarily amounts due from hospitals, public health departments, commercial testing laboratories, distributors and universities in addition to government programs.

Trade debtors are reported net of a provision for expected credit loss. The process of estimating the collection of trade debtors involves significant assumptions and judgments. Specifically, the bad debt provision is based on management's analysis of historic and forward-looking information on expected credit loss.

Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL ASSETS (CONTINUED)

Impairment of financial assets

The Company recognises an allowance for expected credit losses, or an ECL, for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

FINANCIAL LIABILITIES

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method where material.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Loans due to and from group undertakings are repayable on demand. As such, the directors consider that the fair value approximates to the carrying value.

Equity instruments

Equity instruments issued by the company are recorded as the value of the proceeds received net of direct issue costs.

OXFORD IMMUNOTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

SHARE-BASED PAYMENTS

Up until the acquisition of the group by PerkinElmer, employees of OI Ltd. were eligible to participate in the share incentive plans of its parent company: Oxford Immunotec Global PLC, or OI Global. Share-based compensation for the period from 1 January 2021 to 8 March 2021 relates to grants of options to purchase ordinary shares and restricted shares. OI Global had one share incentive plan pursuant to which it could grant options to purchase its ordinary shares, restricted shares, restricted share units, and other share-based awards to its employees, directors and officers. This incentive plan was called the Oxford Immunotec Global PLC 2013 Share Incentive Plan (the “2013 Plan”). In addition, OI Global maintained the 2008 Amended and Restated Stock Incentive Plan (the “2008 Plan”).

All outstanding share-awards and share options under these schemes were cancelled as a result of the acquisition of OI Global by PerkinElmer on 8 March 2021 and no further grants will be made.

Subsequent to the OI group’s change in ownership, certain employees of the company became eligible for share-based payment awards from the ultimate parent company, PerkinElmer Inc. These awards are not replacement awards for financial accounting purposes. Further details about these schemes can be found in the group, consolidated financial statements of the parent.

OI Ltd. accounts for share-based remuneration arrangements with employees, officers and Directors by recognising compensation expense based on the grant date fair value of share-based payment transactions in the financial statements.

Share-based remuneration costs for OI options are based on the fair value of the underlying option calculated using the Black-Scholes option-pricing model on the date of grant for share options and recognised as expense using the accelerated method over the period in which the service conditions are fulfilled. Determining the appropriate fair value model and related assumptions requires judgment, including estimating share price volatility, expected term and forfeiture rates. The expected volatility rates were estimated based on the OI Group’s actual volatility and the actual volatility of comparable public companies over a historical period equal in length to the expected term. The expected terms represent the estimate of the average time that options are expected to be outstanding based on the midpoint between the vesting date and the end of the contractual term of the award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. OI Global has never paid dividends and, accordingly, uses an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards.

Share-based compensation expense for restricted shares and restricted share units, or RSUs, is calculated based on the grant date market price of the shares and is also amortised over the requisite service period of the awards using the accelerated method. Shares withheld to settle employee’s income tax liabilities have been treated as equity awards, in accordance with International Financial Reporting Standard 2 – *Share based payments*.

The cumulative expense recognised for share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and OI Ltd.’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest. Upon the change in control of the group in 2021, all outstanding awards were cancelled.

Where the terms of an equity award are modified, the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based compensation, or is otherwise beneficial to the employee as measured at the date of modification.

Where a share-based compensation award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Upon exercise, share options are redeemed for newly issued ordinary shares. When an employee exercises an option, the OI Group usually collects cash from the employee to satisfy the statutory withholding requirement. However, the OI Group does not always collect cash upon RSUs vesting.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

1 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL GUARANTEE CONTRACTS

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of subsidiary companies, the Company considers these to be insurance arrangements and treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and that affect the reported amounts of turnover and expenditures during the reporting periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key areas of estimation and uncertainty

Revenue recognition

To determine the transaction price on sales, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. For certain distributor sales, the final selling price is not fully determinable until product has been sold to the ultimate customer. The Company constrains (reduces) the estimates of variable consideration such that there is only a remote possibility that a significant reversal of previously recognised revenue will occur.

Share based payment expense

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including estimating share price volatility, expected term and forfeiture rates and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses the Black Scholes model. Expected volatility rates are estimated based on the actual volatility of comparable public companies over a historical period equal in length to the expected term. The expected terms represent the average time that options are expected to be outstanding based on the midpoint between the vesting date and the end of the contractual term of the award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. OI Global has not paid dividends and, accordingly, uses an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards.

Please refer to note 26 "Share Based Payments" for further details regarding share-based payments.

Leases and discount rate

The measurement of lease liabilities involves the use of a discount rate to record future lease payments at present value. The Company has concluded that it cannot reliably determine the interest rate implicit in any of its leases and therefore uses its incremental borrowing rate as the lease discount rate. Since none of the Group's subsidiaries regularly enters into loan agreements, determining the incremental borrowing rate involves adjusting the Group's estimated borrowing rate, for lease term, geography and class of lease.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (CONTINUED)

Dilapidations provision

Determination of the future cost of reparation of properties is estimated based on costs to alter a property and any changes that might not be considered to be reasonable wear and tear. The Company uses its experience of costs incurred from exiting similar buildings and adjusting for differences between the leased properties. The discount rate used for the provision is the published inflation rates at the time the provision is made.

Critical accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Research and development costs

Development costs are capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. Development costs of £157,000 were capitalised during the period (2020: £134,000). The Company has a total of £285,000 of development costs on its balance sheet as of 2 January 2022 (2020: £171,000). Please see Note 12 "Intangible Fixed Assets" for additional details.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The company has looked three years ahead by reference to the company's discounted cash-flow model to arrive at this judgment. Please see Note 11 "Taxation" for additional details.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next two years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investments in subsidiaries.

Stock provision

The Company makes provision for slow-moving or obsolescent stock. Assessment of the likelihood of being able to use stock before its expiry date requires judgment and depends on future sales forecasts. During 2021, forecasts have been affected by COVID lockdowns and the impact on worldwide TB testing. Where it is assessed that stock will not be usable before its expiry date, it is fully provided for.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

3 TURNOVER

An analysis of the Company's turnover by class of business is as follows:

	2021	2020
	£'000	Unaudited £'000
Product turnover	41,662	37,698
Service turnover	8,706	2,669
	<u>50,368</u>	<u>40,367</u>

Geographic information

Turnover from external customers:

	2021	2020
	£'000	Unaudited £'000
United States	6,533	7,369
Europe and rest of world	28,218	6,842
Asia	15,617	26,156
	<u>50,368</u>	<u>40,367</u>

4 OTHER INCOME

	2021	2020
	£'000	Unaudited £'000
Government grants	36	72
Income from group companies	356	—
R&D tax credit	423	—
	<u>815</u>	<u>72</u>

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

5 OTHER OPERATING EXPENSES

	2021	2020
	£'000	Unaudited (Restated) £'000
Administrative expenses	(62,807)	(46,522)
	<u>(62,807)</u>	<u>(46,522)</u>

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

6 OPERATING LOSS

	2021	2020 Unaudited (Restated)
	£'000	£'000
Operating loss is stated after charging/(crediting):		
Net foreign exchange (gains)/losses	(708)	(1,531)
Amortisation of intangible assets	136	60
Depreciation of tangible fixed assets	1,100	865
Depreciation of right of use assets	882	734
Loss on disposal of property, plant and equipment	1	6
Research and development expenditure	9,324	8,717
Stock – Amounts expensed to cost of sales	9,135	6,989
Auditor's remuneration	48	—

7 INTEREST PAYABLE

	2021	2020 Unaudited (Restated)
	£'000	£'000
Lease interest payable	(477)	(652)
Other interest payable	(53)	(52)
	<u>(530)</u>	<u>(704)</u>

8 INTEREST RECEIVABLE

	2021	2020
	£'000	£'000
Bank interest receivable	—	1,565
	<u>—</u>	<u>1,565</u>

9 EMPLOYEES

The average monthly number of employees (including Directors) during the period was:

	2021	2020 Unaudited
	Number	Number
Research	65	58
Administration, manufacturing and distribution	119	99
	<u>184</u>	<u>157</u>

EMPLOYMENT COSTS

	2021	2020 Unaudited
	£'000	£'000
Wages and salaries	12,438	10,504
Social security costs	1,609	1,296
Other pension costs	1,298	996
Cost of employee share schemes (Note 26)	2,928	1,976
	<u>18,273</u>	<u>14,772</u>

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

10 DIRECTORS' EMOLUMENTS

	2021	2020
	£'000	Unaudited £'000
Emoluments	485	670
Value of OI Ltd. pension contributions to money purchase schemes	5	10
	<u>490</u>	<u>680</u>

	2021	2020
		Unaudited
The number of Directors for whom retirement benefits are accruing under money purchase schemes was	<u>1</u>	<u>1</u>

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2021	2020
	£'000	Unaudited £'000
Total emoluments (excluding pension contributions)	485	670
Value of OI Ltd. pension contributions to money purchase schemes	5	10
	<u>490</u>	<u>680</u>

One director receives compensation from the Company. The other directors were paid by other group companies. None of their compensation was recharged to the Company, on the basis that those directors consider their services to the Company to be incidental to their other services to the group.

The highest paid Director exercised share options in 2020 but not 2021. One of the Company's other directors also exercised share options in 2020 but not 2021. However, two directors were compensated for the cancellation of share options following the acquisition of the Oxford Immunotec group in 2021.

In addition, the highest paid Director had restricted shares that vested in 2021 and 2020.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

11 TAXATION

	2021	2020
	£'000	Unaudited (Restated) £'000
U.K. corporation tax		
Current tax on (loss)/profit for the period	—	(1,277)
Adjustment to tax in respect of previous periods	—	(427)
Foreign taxation	25	—
	<u>25</u>	<u>(1,704)</u>
Deferred tax		
Origination and reversal of temporary differences	—	—
Adjustment to tax in respect of previous periods	—	—
	<u>—</u>	<u>—</u>
Tax (credit)/charge on (loss)/profit on ordinary activities	<u>25</u>	<u>(1,704)</u>

Tax recognised in other comprehensive loss:

	2021	2020
	£'000	Unaudited £'000
Origination and reversal of temporary differences on share options	—	—
Current tax	—	34
	<u>—</u>	<u>34</u>

The movements in the deferred taxation are as follows:

	2021	2020
	£'000	Unaudited £'000
Total deferred tax liability/(assets) brought forward	—	—
Current period movement through the income statement	—	—
Current period movement through equity	—	—
Total deferred tax liability/(assets) carried forward	<u>—</u>	<u>—</u>

A deferred tax asset not recognised as at 2 January 2022 was \$6,154,000 (2020: 1,736,000)

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

11 TAXATION (CONTINUED)

The tax assessed for the period is lower than the standard rate of corporation tax of 19% (2020 – 19%) as explained below:

	2021	2020
	£'000	Unaudited £'000
(Loss)/profit on ordinary activities before taxation	(22,851)	(35,623)
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of U.K. corporation tax of 19% (2020 – 19%)	(4,342)	(6,768)
Effects of:		
Non-deductible expenses	14	4,170
Research and development tax credits - current period	90	(971)
Adjustments to tax charge in respect of previous periods	—	(427)
Surrender of tax losses for R&D tax credit refund	—	407
Foreign permanent establishment exemption	(400)	—
Fixed asset differences	(7)	—
Deferred tax not recognised	2,122	1,885
Group relief surrendered	2,523	—
Foreign tax	25	—
	4,367	5,064
Total tax charge/(credit)	25	(1,704)

The Company has estimated losses of £26.7 million (2020: £9.7 million) available for carry forward against future trading profits. There is no expiry date for these losses.

Factors that may affect future tax charges

During 2022 it was announced that the corporation tax rate would increase from 19% to 25% on 1 April 2023, and this rate has been used to measure deferred tax assets and liabilities where applicable.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

12 INTANGIBLE FIXED ASSETS

	Development costs £'000	Patents with finite useful lives £'000	Software £'000	Construction in progress £'000	Total £'000
COST					
At 1 January 2021	371	107	56	1,462	1,996
Additions	156	—	516	—	672
Transfers	—	—	1,411	(1,411)	—
2 January 2022	527	107	1,983	51	2,668
DEPRECIATION					
1 January 2021	200	56	25	—	281
Charge in the period	42	16	78	—	136
2 January 2022	242	72	103	—	417
NET BOOK VALUE					
31 December 2020	171	51	31	1,462	1,715
2 January 2022	285	35	1,880	51	2,251

Intangible assets with finite lives are amortised on a straight-line basis over a period of between 5 and 10 years.

Amortisation of intangible assets is included in other operating expense.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

13 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Construction in progress £'000	Total £'000
COST					
At 1 January 2021	4,362	3,157	652	365	8,536
Additions	163	1,599	89	222	2,073
Disposals	(101)	(59)	(143)	—	(303)
2 January 2022	4,424	4,697	598	587	10,306
DEPRECIATION					
1 January 2021	1,195	1,571	462	—	3,228
Charge in the period	304	673	123	—	1,100
Disposals	(20)	(26)	(134)	—	(180)
2 January 2022	1,479	2,218	451	—	4,148
NET BOOK VALUE					
31 December 2020	3,167	1,586	190	365	5,308
2 January 2022	2,945	2,479	147	587	6,158

14 RIGHT-OF-USE ASSETS

	Property (Restated) £'000
COST	
At 1 January 2021	8,399
Additions	—
2 January 2022	8,399
DEPRECIATION	
1 January 2021	1,273
Charge in the period	882
2 January 2022	2,155
NET BOOK VALUE	
31 December 2020	7,126
2 January 2022	6,244

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

15 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings (Restated) £'000
COST	
At 1 January 2021 and 2 January 2022	<u>67,992</u>
IMPAIRMENT	
At 1 January 2021	27,768
Impairment expense	<u>426</u>
At 2 January 2022	<u>28,195</u>
NET BOOK VALUE	
At 31 December 2020	40,224
At 2 January 2022	39,797

During 2021, the Company's subsidiary, Immunetics, Inc, ceased trading. Having no future value, the investment has been fully impaired.

During 2020, the Company identified that following the change in the business model of Oxford Immunotec USA, Inc ("OI USA") in 2019, there were signs that the investment in OI USA was at risk of impairment. As a result, the Company undertook a full impairment assessment and calculated the value-in-use of the investment to be £36.7 million. This value in use was £20.5 million lower than the carrying value of the investment by the Company at 31 December 2020 and so an impairment charge was recorded in the period.

Inputs used in calculating the value in use of the investment were a discount rate of 13%, estimated cash flows for a five-year period and a long-term growth rate of 2%.

The discount rate used for 2020 is comparable to the Company's historical debt, updated for more recent information. Cash-flows for the five-year period include actual figures for 2021 year to date. The long-term growth rate is in line with other companies in the diagnostics industry.

An impairment of £6,526,000 relating to the company's investment in Oxford Immunotec KK was recorded as a prior year adjustment (see Note 28 for further details).

In determining the value in use for the subsidiary, a discount rate of 8% and a long-term growth rate of 1% was used. Varying the discount rate by 1% would increase or decrease the impairment by £171,000. Varying the long-term growth rate by 0.5% would change the impairment by £70,000.

Impairment on investments is charged to profit or loss and included within other operating expenses.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

16 SUBSIDIARIES

Details of the Company's subsidiaries at 2 January 2022 are as follows:

Name of undertaking and registered address	Country of incorporation (if outside of the U.K.)	Class of shareholding	Proportion held	Nature of business
<i>Oxford Immunotec USA Inc.</i> 293 Boston Post Road West, Suite 201, Marlborough, MA 01752	United States	Ordinary	100%	Medical Diagnostics
<i>Immunetics, Inc.</i> 293 Boston Post Road West, Suite 201, Marlborough, MA 01752	United States	Ordinary	100%	Medical Diagnostics
<i>Oxford Immunotec K.K.</i> 8F Nisso Bldg. No16, 3-8-8 Shinyokohama, Kohoku-ku, Yokohama 222-0033	Japan	Ordinary	100%	Medical Diagnostics
<i>Boulder Diagnostic Europe GmbH</i> Stockheimer Straße 12, D-97638 Mellrichstadt	Germany	Ordinary	100%	Medical Diagnostics
<i>Oxford Immunotec Asia Limited</i> Room 707, 7/F Fortress Tower, 250 King's Road, North Point, Hong Kong	People's Republic of China	Ordinary	100%	Medical Diagnostics
<i>Oxford Immunotec (Shanghai) Medical Device Co. Ltd.</i> Room 601, Building A, Chamtime Plaza, Lane 2889, JinKe Road BG Shanghai, Shanghai, China	People's Republic of China	Ordinary	100%	Medical Diagnostics
<i>Oxford Immunotec (Ireland) Limited</i> Unit 3d North Point House, North Point Business Park, New Mallow Road, Cork, Republic of Ireland	Republic of Ireland	Ordinary	100%	Medical Diagnostics
<i>Oxford Diagnostic Laboratories (UK) Limited</i> 143 Park Drive, Milton Park Abingdon, Oxfordshire OX14 4SE		Ordinary	100%	Medical Diagnostics (Dormant)

OXFORD IMMUNOTEC LIMITED
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17 STOCKS

	2021	2020 Unaudited (Restated)
	£'000	£'000
Raw materials and consumables	8,052	7,738
Finished goods and goods for resale	1,794	895
	<u>9,846</u>	<u>8,633</u>

£530,000 was provided as an expense in the income statement for obsolete or slow-moving inventory (2020: £111,000).

18 OTHER DEBTORS

	2021	2020 Unaudited
	£'000	£'000
Corporation Tax	1,699	2,336
Other debtors	230	499
Prepayments	611	585
	<u>2,540</u>	<u>3,420</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 Unaudited
	£'000	£'000
Trade creditors	1,172	1,636
Taxes and social security costs	345	28
Other creditors	77	—
Corporation tax	20	—
Deferred income	161	72
Accruals	3,654	4,189
	<u>5,429</u>	<u>5,925</u>

20 PROVISIONS

	2021	2020 Unaudited (Restated)
	£'000	£'000
At start of the period	2,684	2,473
Arising during the period	12	161
Utilised	—	—
Unused amounts reversed	—	—
Unwinding of discount	55	50
At end of period	<u>2,751</u>	<u>2,684</u>

Provisions relate to dilapidation obligations on UK properties leased by the Company. The provisions are expected to be utilised between 2022 and 2033, depending on the lease term of the property.

OXFORD IMMUNOTEC LIMITED
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21 PENSION COSTS - DEFINED CONTRIBUTION SCHEMES

	2021	2020
	£'000	Unaudited £'000
Contributions payable by the Company for the period	1,298	996
Contributions payable to the fund at the period end and included in creditors	(186)	(104)

22 SHARE CAPITAL

	2021	2020
	£'000	Unaudited £'000
AUTHORISED		
* Ordinary shares of £0.001 each	*	*
	*	*

* Effective June 2014, the Articles of Association of OI Ltd. were amended. As a result of the amendment, there is no limit on the number of new shares that can be issued.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

ALLOTTED, CALLED UP AND FULLY PAID ORDINARY SHARES OF £0.001 EACH

	Number	£'000
As at 31 December 2020 and 2 January 2022	10,000,000	10

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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23 LEASES

Company as a lessee

At 2 January 2022, the Company leases facilities under five non-cancellable leases, with terms that expire between 2021 and 2033.

Some of the Company's leases contain options to renew and extend lease terms and options to terminate leases early. Reflected in the right-of-use asset and lease liability on the Company's balance sheet are the periods provided by renewal and extension options that the Company is reasonably certain to exercise, as well as the periods provided by termination options that the Company is reasonably certain to not exercise.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2021 £000	2020 £000 Unaudited (Restated)
As at start of period	6,293	6,252
Additions	—	197
Accretion of interest	477	493
Payments	(983)	(642)
Exchange adjustments	7	(7)
As at end of period	5,794	6,293
Current	398	903
Non-current	5,396	5,390

The maturity analysis of lease liabilities is disclosed below:

	2021 £000	2020 £000 Unaudited
Due in less than one year	839	983
Due between one and two years	812	839
Due between two and three years	804	812
Due between three and four years	788	804
Due between four and five years	788	788
Due after five years	4,613	5,401
Total lease payments	8,644	9,627
Less imputed interest charge	(2,850)	(3,334)
Lease liability	5,794	6,293

The following are the amounts recognised in profit or loss:

	2021 £000	2020 £000 Unaudited
Depreciation expense of right-of-use assets	882	734
Interest expense on lease liabilities	477	493
Expense relating to short-term leases (included in administrative expenses)	215	157
Total amount recognised in profit or loss	1,574	1,384

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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The Company had total cash outflows for leases of £983,000 (2020: £642,000). The Company also had non-cash additions to right-of-use assets and lease liabilities of £nil (2020: £197,000).

23 LEASES (CONTINUED)

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

	Within five years	More than five years	Total
	£'000	£'000	£'000
Extension options currently expected not to be exercised	78	—	78
Termination options expected to be exercised	128	—	128
	<u>206</u>	<u>—</u>	<u>206</u>

24 COMMITMENTS AND CONTINGENCIES

Purchase commitments

Future minimum payments required under license agreements and supplier purchase obligations in effect as of 02 January 2022 were as follows:

	Supplier purchase obligations	Total
2022	8,605	8,605
2023	81	81
2024	39	39
2025	—	—
2026	—	—
Thereafter	—	—
Total minimum payments	<u>8,725</u>	<u>8,725</u>

Within the supplier purchase obligations, £nil (2020: £nil) relates to contractual commitments for the acquisition of property, plant and equipment.

Future minimum payments required under license agreements and supplier purchase obligations in effect as of 31 December 2020 were as follows:

	Supplier purchase obligations	Total
2021	1,771	1,771
2022	380	380
2023	—	—
2024	—	—
2025	—	—
Thereafter	—	—
Total minimum payments	<u>2,151</u>	<u>2,151</u>

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

24 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Legal contingencies

The group is subject to claims and assessments from time to time in the ordinary course of business. The company does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the business, financial condition, results of operations or cash flows.

Indemnification

In the normal course of business, the company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The company's exposure under these arrangements is unknown because it involves claims that may be made against the company in the future, but that have not yet been made. To date, the company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the company may record charges in the future as a result of these indemnification obligations.

In accordance with its articles of association, the group has indemnification obligations to its officers and Directors for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in such capacity. There have been no claims to date, and the company has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

Charge over assets

There is a charge held by Barclays Bank over the company's assets, in connection with a public tender guarantee in Italy.

25 CONTROLLING PARTY

The immediate parent company is Oxford Immunotec Global Limited which is a company incorporated in the United Kingdom. The ultimate parent company and controlling party is PerkinElmer, Inc., a company incorporated in the U.S.A.

The parent undertaking of the smallest group which includes the Company for which group financial statements are prepared is PerkinElmer, Inc. The financial statements of PerkinElmer, Inc. are available to the public and may be obtained from www.PerkinElmer.com.

26 SHARE BASED PAYMENTS

Employees of the company have been eligible to receive share options for shares in Oxford Immunotec Global Plc since 2003, restricted shares since 2014 and RSUs since 2015. Up until the purchase of Oxford Immunotec Global by PerkinElmer during the period, there were two equity compensation plans in place, the Amended and Restated 2008 Stock Incentive Plan and the 2013 Share Incentive Plan (the OI Plans). Since the PerkinElmer acquisition, both schemes have ceased, and certain employees of the company are now eligible to participate in the share schemes of PerkinElmer Inc. Details of the PerkinElmer schemes can be found in the published financial statements of that company.

Under both the OI Plans, share options were issued to Company employees, and only under the 2013 Plan, the restricted shares and RSUs have been issued to Company employees.

At 2 January 2022, there were no shares available for future issuance under the 2013 Plan (2020: 1,038,132)

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022

26 SHARE BASED PAYMENTS (CONTINUED)

Under both the 2008 Plan and the 2013 Plan, share options, and only under the 2013 Plan, restricted shares and RSUs, have been granted to employees, officers and Directors. Options generally vested based on the grantee's continued service with the Group during a specified period following grant or, in rare instances, based on the achievement of performance or other conditions as determined by the Board of Directors, and expired after ten years. Option awards to employees generally vested monthly over a four-year period. For options granted prior to 2015, the vesting percentage was generally 0% until the second anniversary of the vesting start date of the employee's first option award under the 2008 Plan and either the second anniversary of the employee's date of hire or the first day of the month following the second anniversary of the employee's date of hire under the 2013 Plan. Effective from 2015, the Group began granting options that vest in equal parts over four years starting on the vesting start date. Generally, restricted shares and RSUs vested based on the grantees' continued service with the Group during a specified period following grant as follows: 40% on the second anniversary of the grant date; 30% on the third anniversary of the grant date; and 30% on the fourth anniversary of the grant date.

The acquisition of Oxford Immunotec Global Plc by PerkinElmer triggered a change in control clause, caused all outstanding options and RSUs to be cancelled at that date. Employees with outstanding share awards received compensation equal to the value of their outstanding shares at a value of \$22 per share, less any exercise price for share options. An additional expense, amounting to the remaining fair value of awards at that date, was recognised in the income statement. The amount of expense recorded was £2.9M million.

During 2021, no options were exercised (2020: 10,108) with a weighted average share price at the date of exercise of \$nil (2020: \$4.32).

The expense recognised during the period related to share-based compensation transactions was as follows:

	2021	2020
	£'000	Unaudited £'000
Cost of sales	—	15
Other operating expenses	2,379	1,961
Total share-based compensation	2,379	1,976

A summary of options outstanding as of 2 January 2022 under the OI Plans:

Total options outstanding Exercise Prices	2021 Outstanding	2021 Vested / Exercisable	2020 Outstanding	2020 Vested / Exercisable
\$0.00 - \$1.00	—	—	8,154	8,154
\$1.01 - \$5.00	—	—	—	—
\$5.01 - \$10.00	—	—	4,800	4,800
\$10.01 - \$15.00	—	—	954,480	552,261
\$15.01 - \$20.00	—	—	173,797	48,874
\$20.01 - \$25.00	—	—	140,126	140,126
	—	—	1,281,357	754,215

The company transferred approximately £3,802,000 to the tax authorities to settle employees' tax obligations relating to share-based payments (2020: £481,000).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26 SHARE BASED PAYMENTS (CONTINUED)

A summary of options outstanding as of 2 January 2022 under the PerkinElmer Plans:

Total options outstanding	2021	2021
Exercise Prices	Outstanding	Vested /
		Exercisable
S135.315	35,584	—

27 RESERVES

Share premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Share option reserve

The share-based payment reserve account represents the cumulative effect of share-based payment transactions.

Capital contribution reserve

The capital contribution reserve represents capital contributed into the Company by its owners.

Retained earnings (deficit)

Retained earnings (deficit) represents the cumulative profit and loss net of distributions to owners.

28 PRIOR PERIOD ADJUSTMENT

During the period it came to light that the company has an obligation to make good on its leased properties and restore them to the condition they were in at the lease inception date. A provision has been recorded in the current period to reflect this and the value of the right-of-use assets corresponding to each property has been adjusted. Since the lease inception date was before the start of the financial period, and the obligation existed at that point, a prior period adjustment has also been recorded. The value recorded to reduce the value of retained earnings is £499,000.

An over-valuation in of raw materials recorded in previous periods was uncovered as part of the Company's transition to a new ERP system during the period. The value recorded to reduce the value of retained earnings is £528,000.

During the company's annual assessment of the value of investments in subsidiaries an impairment indicator was noted for the company's investment in in Oxford Immunotec KK in Japan. An impairment of £6,526,000 was calculated. The impairment indicator was present in 2020 and so the impairment charge should have been recorded in the prior year.

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The effect on the income statement for 2020 can be seen below.

	2020 (as previously stated) £'000	Adjustment £'000	2020 (Restated) £'000
TURNOVER	40,367	—	40,367
Cost of sales	(9,614)	(528)	(10,142)
GROSS PROFIT	30,753	(528)	30,225
Grant income	72	—	72
Other operating expenses	(46,278)	(244)	(46,681)
OPERATING LOSS	(15,453)	(772)	(16,384)
Interest payable	(493)	(211)	(704)
Interest receivable	1,565	—	1,565
Impairment on investments	(21,242)	(6,526)	(27,768)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(35,623)	(7,509)	(43,132)
Taxation	1,704	—	1,704
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	(33,919)	(7,509)	(41,428)

The impact of the adjustments on the balance sheet can be seen below.

OXFORD IMMUNOTEC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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28 PRIOR PERIOD ADJUSTMENT (CONTINUED)

	At 01-Jan 2020 (as previously stated)	2020 Opening Balance sheet Adjustment	At 01-Jan 2020 (Restated)	At 31 Dec 2020 (as previously stated)	2020 Adjustment	At 31-Dec 2020 (Restated)
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS						
NON-CURRENT ASSETS						
Right of use assets	5,209	2,430	7,639	4,940	2,186	7,126
Investments	67,992	-	67,992	46,750	(6,526)	40,224
TOTAL NON-CURRENT ASSETS	77,522	2,430	79,952	58,713	(4,340)	54,373
CURRENT ASSETS						
Stocks	7,843	-	7,843	9,161	(528)	8,633
TOTAL CURRENT ASSETS	27,836	-	27,836	27,802	(528)	27,274
TOTAL ASSETS	105,358	2,430	107,788	86,515	(4,868)	81,647
LIABILITIES						
CURRENT LIABILITIES						
Short term portion of leases payable	(432)	-	(432)	(506)	(397)	(903)
TOTAL CURRENT LIABILITIES	(32,838)	-	(32,838)	(45,801)	(397)	(46,198)
NET CURRENT LIABILITIES	(5,002)	-	(5,002)	(17,999)	(925)	(18,924)
TOTAL ASSETS LESS CURRENT LIABILITIES	72,520	-	72,520	(40,714)	(5,265)	35,449
NON-CURRENT LIABILITIES						
Provisions	-	(2,474)	(2,474)	(136)	(2,685)	(2,821)
Long term portion of leases payable	(5,820)	-	(5,820)	(5,787)	397	(5,390)
TOTAL LIABILITIES	(38,658)	(2,474)	(41,132)	(51,724)	(2,685)	(54,409)
NET ASSETS	66,700	(44)	66,656	(34,791)	(7,553)	27,238
EQUITY						
Retained earnings	64,793	(44)	64,749	(30,908)	(7,553)	23,355
	66,700	(44)	66,656	(34,794)	(7,553)	27,238

29 SUBSEQUENT EVENTS

On 14 July 2022, the company announced a restructuring programme, to relocate the finance function to Krakow, Poland. The costs associated with the relocation are to be borne by the ultimate parent company, PerkinElmer, Inc.

On 30 June 2022, the company vacated its premises at 94c Innovation Drive, Abingdon, UK. The company paid £165,000 in dilapidation costs.