PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Company Number 05341336

PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

Company registration number:	05341336
Registered office:	Hampden House Monument Business Park Warpsgrove Lane Chalgrove Oxfordshire OX44 7RW
Directors:	J Gibson (Chief Executive Officer) R Tayong (Director)
Company Secretary:	R Tayong
Bankers:	Lloyds Bank Second Floor 25 St George Street Mayfair London W1S 1FS
Independent Auditors:	Haines Watts Chartered Accountants The Lightbox 87 Castle Street Reading RG1 7SN

PLETHORA SOLUTIONS HOLDINGS PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT

OPERATIONS UPDATE

US Approval and Commercialisation Progress

By way of background, we set out below key data points of the US regulatory pathway for submission of the NDA:

On 22 December 2021, the Group submitted the Phase 2 study results entitled: "A Pilot, Randomized, Double-Blind Study Comparing the Proportion of Responders to PSD502 and Placebo Using the PEBEQ™ in Subjects with Premature Ejaculation" to the FDA.

On 13 April 2022, the FDA provided Plethora with advice/information request regarding the Final Qualitative *Exit Interview Report entitled "Qualitative Exit Interviews in a Randomized, Double-Blind Multicentre Study* Comparing the Proportion of Responders to PSD502 and to Placebo Using the PEBEQ™ in Subjects with Premature Ejaculation" and Psychometric Evaluation of the PEBEQ™ – ITEM 3 (event – specific bother).

US Approval and Commercialisation Progress (Continued)

On 2 June 2022, Plethora submitted a fulsome response to the FDA's information request.

On 21 September 2022, Plethora and the FDA participated in a teleconference. Plethora requested the FDA's feedback regarding their proposed Phase 3 registration study for Fortacin™.

On 20 December 2022, Plethora submitted a "Type C" meeting request to gain feedback on its exit interview protocol and interview guide.

On 22 February 2023, FDA provided Plethora with written responses to its "Type C" meeting request regarding its exit interview protocol and interview guide, which was received 5 days ahead of schedule.

Plethora is working with its regulatory consultants to incorporate all the FDA's recommendations/suggestions to submit its reply by the end of March 2023.

Plethora, at the time of submitting its updated exit interview protocol and interview guide, will request a special protocol assessment ("SPA"), which is the pathway discussed and agreed forward with the FDA at its teleconference meeting of 21 September 2022. By way of background information, an SPA is a process in which Sponsors (e.g. Plethora) may ask to meet with the FDA to reach agreement on the design and size of its Phase 3 study. An SPA agreement indicates concurrence by FDA with the adequacy and acceptability of specific critical elements of overall protocol design (e.g., entry criteria, dose selection, endpoints, and planned analyses) for a study intended to support a future marketing application. These elements are critical to ensuring that the trial conducted under the protocol can be considered an adequate and well-controlled study that can support marketing approval. Feedback on these issues provides the greatest benefit to sponsors in planning late-phase development strategy. However, an SPA agreement does not indicate FDA concurrence on every protocol detail. The existence of an SPA agreement does not guarantee that FDA will file (accept) a NDA, or that the trial results will be adequate to support approval. Those issues are addressed during the review of a submitted application and are determined based on the adequacy of the overall submission.

For more information shareholders and potential investors can visit the link https://www.fda.gov/media/97618/download to understand the SPA process.

Plethora now has a roadmap for submission of the NDA that was agreed with the FDA on the teleconference of 21 September 2022 on the items required to submit the NDA. The next steps of that roadmap are submission of the revised exit interview protocol and guide followed by a request for SPA on the design and size of the Phase 3 studies.

Once the SPA and exit interview protocol have been agreed with the FDA, Plethora will request an end-of-phase 2 (EOP2) meeting ahead of starting the Phase 3 studies. We estimate that these studies will commence in the latter half of 2023, but this is dependent on the completion of the steps mentioned above.

Overall, we view our dialogue with the FDA and the agreed roadmap for submission of the NDA as a major positive development in the Group's path for the commercialisation of Fortacin™ in the US. In particular, the signing of the SPA with the FDA should allow the Group to advance negotiations to a final conclusion in respect of "out licencing" the US rights to Fortacin™ to a US strategic pharmaceutical partner.

Chinese Approval and Commercialisation Progress

Wanbang Biopharmaceutical has confirmed that it has completed the randomisation of 295 subjects (10 more subjects than initially targeted) into the Phase 3 study, with the last subject having completed treatment at the end of January 2023. The clinical research organisation is now collecting all the data and will lock the data base, with the initial data being made available in early Q2 2023. Based on Wanbang Biopharmaceutical's timeline, it remains on target to submit the NDA during Q3 2023 with approval expected 12 months later (depending on the response received from the NMPA with respect to any deficiencies in the submission).

Chinese Approval and Commercialisation Progress (continued)

A brief summary of the key points of the study are:

Registration of Study:	December 2021
Study type:	phase 3 clinical trial, multi-center, randomised, double-blinded placebo controlled study
Estimated enrolment:	295 subjects (enrolment complete)
Primary endpoint:	To determine the effects of Senstend™ on the Index of Premature Ejaculation and the Intra-vaginal Ejaculation Latency Time
Secondary endpoint:	To evaluate the safety and tolerability of Senstend™ in Premature Ejaculation subjects and their sexual partners
NMPA submission::	Q3 2023

All costs of the clinical trials, including all other associated regulatory and submission costs are being met by Wanbang Biopharmaceutical. If the clinical study meets its endpoints and the NMPA grants an import licence for Senstend™, US$5 million (before deduction of PRC withholding tax) will be payable to the Group from Wanbang Biopharmaceutical. In addition, upon first commercial sale of Senstend™ in China, US$2 million (before deduction of PRC withholding tax) shall be payable to the Group from Wanbang Biopharmaceutical. To this end, the Group remains pleased with the progress to date and looks forward to working together with Wanbang Biopharmaceutical and its regulatory consultant to achieving these important milestones.

Manufacturing and Resumption of Commercial Supply

Our European commercial partner received approval from the EMA on 15 September 2022 for adding an *alternative European manufacturer to the dossier. Following this approval, our European commercial partner* has received its first two commercial batches of Fortacin™ in February 2023 for sale in Germany and Italy. We expect sales will also continue in its other key European markets as supply is resumed over the course of 2023. Our European commercial partner has also submitted the same FortacinTM dossier to the MHRA in the UK for the European manufacturer to be approved as a third-party manufacturer. Our European commercial partner expects to receive approval from MHRA by the end of Q1 2023. And once MHRA has approved the alternative manufacturer, Plethora will submit the same dossier for Senstend™ (the marketing name for FortacinTM in China) to MHRA so that Wanbang Biopharmaceutical can add the alternative manufacturer to its dossier for submitting the NDA in China.

We are hopeful that this new manufacturer will be able to offer continuous supply of Fortacin™ to our commercial strategic partners bringing in royalty revenue for the Group.

PLETHORA SOLUTIONS HOLDINGS PLC

STRATEGIC REPORT (CONTINUED)

Other Territories

Now that commercial supply has been resumed, our other commercial partners are at their liberty to negotiate manufacturing and supply agreements with the alternative European manufacturer, which we expect will take place shortly.

In Q2 2022, our Israeli commercial partner submitted its marketing authorisation to the Ministry of Health in Israel and it is hopeful that it will receive approval by the of Q4 2023. The Group its regulatory consultant and our Israeli partner are now preparing the marketing authorisation for certain countries in the Balkan region.

The Group is in discussions for "out licencing" the rights to Fortacin™ to (i) a Japanese pharmaceutical company for Japan, (ii) a pharmaceutical company based in the United Arab Emirates for the Gulf Cooperation Council (GCC) region (Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman) and (iii) a pharmaceutical company in South Korea.

The Group will continue to work closely and diligently with its current and prospective commercial partners and will keep the Shareholders and potential investors informed of any new developments as and when they occur.

TRADING UPDATE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Plethora recorded a net operating loss of £0.67 million for the year ended 31 December 2022 (2021: profit £0.67 million).

The operating profit of Plethora for the year ended 31 December 2022, mainly included: (i) the milestone and royalty income of £28,000 (2020: £2.36 million) which being offset somewhat by: (ii) R&D costs related to the regulatory and phase II validation study in respect of the FDA approval process of Fortacin™ in the US of £0.46 million (2021: £1.37 million) and (iii) G&A expenses of £0.25 million (2021: £0.40 million).

Plethora had cash resources of £37,000 for the year ended 31 December 2022 (31 December 2021: £122,000), with ongoing financial support being provided by the Group.

OUTLOOK

Our strategy remains the same, to continue to pursue the successful commercialisation of Fortacin™ / Senstend ™ as quickly as possible, with the OTC roll out continuing, as well as in the remaining key markets of the US, China, Asia, Latin America and the Middle East.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL BUSINESS AND NON-FINANCIAL RISKS AND UNCERTAINTIES

The Group's principal business risks are:

(i) the timing and quantum of receipt of upfront, milestone and royalty income from marketing partners which in itself is dependent on the successful partnering and commercial launch of Fortacin™;

(ii) the management of the Group's cost base and maintaining adequate working capital and ensuring sufficient funds are made available to complete the ongoing regulatory approval processes and bringing Fortacin™ to market;

(iii) the retention of key employees to complete the commercialisation process;

(iv) delays and other unforeseen disruptions like COVID19 pandemic to the manufacturing and regulatory approval projects which could have an adverse impact on the commercial launch of Fortacin™ and future revenues; and

(v) the exposure to competition from new generic entrants into the market because of loss or expiry of intellectual property and patent rights.

The board monitors the performance of its consultants and agents and produces business forecasts on a regular basis to monitor the funding requirements of the business. These are constantly reviewed by the board as part of the monthly reporting process and at board meetings.

KEY PERFORMANCE INDICATORS

The Directors consider cost control and the management of cash to ensure the Group's ability to achieve its regulatory and commercial targets to be the key financial performance indicators of the Group. The cash and any funding requirements of the business are reviewed on a regular basis by the board. The Group has made significant progress in reducing administrative overheads during the year.

The Directors consider the successful completion of the manufacturing project, the commercialisation of Fortacin™ in Europe and the product's regulatory approval in the USA as non-financial key performance indicators.

STRATEGIC REPORT (CONTINUED)

SECTION 172 STATEMENT

Our Stakeholders

The Board takes its duty to its stakeholders under s172 of the Companies Act very seriously and has worked throughout the year to promote the success of the Group for the benefit of its members as a whole. In doing so, it has endeavoured to understand the views of its stakeholders as identified under s172 through its interactions with them during the year and takes their interests into account during board discussions and decision-making.

How We Engage with Our Stakeholders

Shareholders

The Board naturally considers its shareholders to be key stakeholders of the Group and is focused upon delivering long-term value for their benefit. The Group engages with its shareholders and potential shareholders on a regular basis with investor meetings throughout the year as well as focused investors' exhibitions. The results of this investor engagement are reported to the Board to help inform our strategy and communications.

During 2022, management reviewed its ongoing projects especially the preparation of NDA dossiers for submission to the FDA and licensing talks to ensure that value is being added to the shareholders by making the right decisions in pursuing these projects.

Employees

The Board considers its employees to be a primary stakeholder of the Group and is conscious of the responsibility it has to them under s172. The Board, and especially the Remuneration Committee, have also had particular regards to employees as they regularly reviewed and revised remuneration packages as part of its strategy to attract, retain and motivate employees in order to deliver value for shareholders. It was further agreed to place one employee on furlough during the prior year and the current year. These actions were consistent with the Board's commitment to investing in and responsibly rewarding employees as they deliver the Group's strategy.

During 2022, the Group complied with all regulations to ensure the workplace was safe for its employees.

Patients

Our focus is to enhance the quality of life our patients and consumers to enable them to live a more fulfilled life. The patients our therapies are designed to treat are at the heart of why we do it. We conduct market research and engage professionals in the sexual health field to help us with patient insights to ensure we are making the right decisions for our patients. We are dedicated to the development and marketing of products for the treatment and management of urological disorders in an expanding market with many poorly patient needs. Management is working hard to ensure that region where are products have marketing authorisation are covered by an approved marketing partner.

The Group continues to push forward with its plans to bring Fortacin to the US Market.

Development Partners and Suppliers

As an almost virtual Group, Plethora relies upon its relationships with external service providers, consultants and sub-contractors to provide resources on an "as needed" basis. These resources provide the Group with specialist skills and insights as well as additional capacity. In 2019, the Group started its pilot clinical study in USA which relied upon the resources from Clinical Research Organisations (CROs) and its subcontractors to conduct the trial on our behalf. The Group currently engages Contract Manufacturing Organisations (CMOs) *to ensure that trial materials were available at the trial sites, as well as providing approved drugs to its* marketing partners.

During 2019, the Group brought the pilot clinical study in house with the help of its subcontractors for better control over timelines and cost. Management continues to monitor the current strategies in place to ensure it is best fit for the organisation.

STRATEGIC REPORT (CONTINUED)

GOING CONCERN

The Group generated revenue of £28,000 (2021: £2.36 million) during the year from the licencing and commercialisation of Fortacin™ in Europe and Asia. The Group had a cash balance of £37,000 (2021: £122,000) as at 31 December 2022.

In addition to its loan facilities from Endurance RP Limited, the Group has bank loan with outstanding balance of £22,000. The Directors have prepared detailed cash flow forecasts through to the end of the 2024 year that show that the Company with the financial support of its ultimate parent Group, Endurance RP Limited and Forecasted Licencing and Milestone payments has adequate working capital to meet its immediate needs. Nevertheless, there are risks in relation to the timing and extent of upfront milestone receipts relating to other territories, the costs associated with the New Drug Application with the FDA and the uncertainty of the impact of Brexit on the activities of the Group.

The Directors has assessed the impact of the Russia/Ukraine war to the business operations – there is not expected to be a significant impact on revenue or operations as we do not operate in Russia/Ukraine territories. There may however be a delay in the regulatory process currently in progress in Asia, which will likely lead to delays in the timing of milestone payments.

Despite these delays, the Directors have concluded that this won't have a significant effect on the Group's activities. The Directors have obtained confirmation from Endurance RP Group Limited that it is their intention to provide support to the Company and Plethora Solutions Limited for a period of not less than 12 months from the date of signing these financial statements. Consequently, the Directors have concluded that it is appropriate to prepare the Group's financial statements on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

Approved by the board and signed on its behalf by

DocuSigned by:

Jamie Gibson

Jamie Gibson
Chief Executive Officer

Signer Name: Jamie Gibson
Signing Reason: I approve this document
Signing Time: 29 June 2023 | 5:02:23 PM BST
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Date 29 June 2023

The Directors present their annual report together with the audited consolidated and parent Group financial statements for the year ended 31 December 2022.

Principal activities

The Group's principal activity is the development and commercialisation of pharmaceutical treatments for premature ejaculation in the area of men's sexual health.

Business review

The business review is detailed in the Strategic report in addition to commentary in relation to the Going Concern status of the Group and Research & Development activities during the year.

The Group recorded a loss for the year after taxation of £671,000 (2021: profit £668,000).

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

2023 Outlook

Plethora continues to be focused on the development and commercialisation of its principal pharmaceutical product Fortacin™. Our strategy remains the same, in that we continue to devote our efforts with Recordati to a successful commercialization of Fortacin™ in Europe and the UK, completing our clinical trial work and submitting our NDA with the FDA and bringing Fortacin™ to market through other new strategic commercial partners in the remaining key markets of China, the Asia Pacific region, the US, the Middle East and Latin America.

Directors

The Directors of the Company who served during the year ended 31 December 2022 and up to the date of signing, the financial statements, except where noted, were as follows:

M G Wyllie (resigned 31 October 2022)
J Gibson
R Tayong (appointed 31 October 2022)

Directors' indemnities

The Group has purchased and maintained throughout the financial year Directors and Officers' liability insurance in respect of itself and its Directors.

Share capital

Details of the Company's share capital are given in Note 19 to the financial statements. The Group's policy for managing capital and financing to support the activities of the Group is detailed in Note 18 to the financial statements.

Health and safety

Plethora recognises its responsibility to ensure that it only allows its workers to work in as safe a working environment as possible and implement a system of checks to ensure compliance with Health and Safety legislation.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group for that period. In preparing these 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In accordance with Section 418 of the Companies Act 2006, each of the persons who is a director at the date of the approval of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent Auditor

Haines Watts was appointment as auditor in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD

DocuSigned by:

Jamie Gibson

Signer Name: Jamie Gibson
Signing Reason: I approve this document
Signing Time: 29 June 2023 | 5:02:41 PM BST
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29 June 2023

Jamie Gibson
Director

Opinion on the financial statements

We have audited the financial statements of Plethora Solutions Holdings PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated , the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other matters

The financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion of those statements on 22 June 2022.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to the Group, which includes the Company, and the industry in which it operates. We determined that the following laws and regulations were most significant: IFRS - International Financial Reporting Standard, the Companies Act 2006 and relevant tax compliance regulations in the UK.

We obtained an understanding of how the Group is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the audit team included:

- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, with a focus on entries made with unusual accounting combinations;
- Confirming with management whether they have knowledge of any actual, suspected or illegal fraud;
- Evaluating whether there was evidence of bias by management that represents a risk of material misstatement due to fraud.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance with all laws and regulations.

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 Report of the Auditors.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors 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.

Haines Watts

Martin Thomas FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts, Statutory Auditor
Chartered Accountants
The Lightbox
87 Castle Street
Reading
Berkshire
RG1 7SN

29 June 2023

PLETHORA SOLUTIONS HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	4	**28**	2,356
Operating Costs:			
Other Income		-	6
- research and development expenses		**(464)**	(1,366)
- general and administrative expenses		**(245)**	(396)
Total Net Operating Costs		**(709)**	(1,756)
Operating profit/ (loss)	5	**(681)**	600
Finance costs	7	**(2)**	(4)
Finance income	7	-	-
Profit/ (loss) from continuing operations for the year before taxation		**(683)**	596
Research and development tax credit	8	**12**	72
Profit / (loss) from continuing operations for the year after taxation		**(671)**	668
Profit / (loss) for the year and total comprehensive expense attributable to the owners of the parent		**(671)**	668

PLETHORA SOLUTIONS HOLDINGS PLC

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

	Note	**31 December 2022 £'000**	31 December 2021 £'000
ASSETS			
Non-current			
Property, plant and equipment	9	**1**	-
Current			
Trade and other receivables	11	**36**	24
Cash and cash equivalents	12	**37**	122
		73	146
Total assets		**74**	146
LIABILITIES			
Current			
Trade and other payables	14	**(112)**	(293)
Borrowings	15	**(3,910)**	(3,124)
		(4,022)	(3,417)
Non-current			
Borrowings		**(16)**	(22)
Total liabilities		**(4,038)**	(3,439)
Net liabilities		**(3,964)**	(3,293)
EQUITY			
Share capital	18	**8,945**	8,945
Share premium		**48,277**	48,277
Other reserves		**9,102**	9,102
Accumulated losses		**(70,288)**	(69,617)
Total deficit		**(3,964)**	(3,293)

The accompanying accounting policies and notes on pages 19 to 36 form an integral part of these financial statements.

The financial statements on pages 12 to 34 were approved by the Board of Directors on 29 June 2023 and are signed on its behalf by:

DocuSigned by:

Jamie Gibson

Signer Name: Jamie Gibson
Signing Reason: I approve this document
Signing Time: 29 June 2023 | 5:02:56 PM BST
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Jamie Gibson
Director

Registered number: 05341336

PLETHORA SOLUTIONS HOLDINGS PLC

COMPANY BALANCE SHEET

As at 31 December 2022

	Note	**31 December 2022 £'000**	31 December 2021 £'000
ASSETS			
Non-current			
Investments	10	**-**	-
Current			
Trade and other receivables	11	**16**	1
Cash and cash equivalents	12	**9**	2
		25	3
Total assets		**25**	3
LIABILITIES			
Current			
Trade and other payables	14	**(63)**	(2,010)
Borrowings	15	**(3,904)**	(3,118)
Total liabilities		**(3,967)**	(5,128)
Net liabilities		**(3,942)**	(5,125)
EQUITY			
Share capital	18	**8,945**	8,945
Share premium		**48,277**	48,277
Other Merger Reserves		**4,194**	4,194
Accumulated losses		**(65,358)**	(66,541)
Total deficit		**(3,942)**	(5,125)

The company has elected to take exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the Company for the year was £1,183,000 (2021: £236,000).

The accompanying accounting policies and notes on pages 18 to 34 form an integral part of these financial statements.

The financial statements on pages 12 to 34 were approved by the Board of Directors on 29 June 2023 and are signed on its behalf by:

DocuSigned by:

Jamie Gibson

Signer Name: Jamie Gibson
Signing Reason: I approve this document
Signing Time: 29 June 2023 | 5:03:12 PM BST
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Jamie Gibson
Director

Registered number: 05341336

PLETHORA SOLUTIONS HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Other reserves	Accumulated Losses	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	8,945	48,277	9,102	(70,285)	(3,961)
Profit and total comprehensive income for the year	-	-	-	668	668
Balance at 31 December 2021	8,945	48,277	9,102	(69,617)	(3,293)
Loss and total comprehensive expense for the year	-	-	-	(671)	(671)
Balance at 31 December 2022	8,945	48,277	9,102	(70,288)	(3,964)

PLETHORA SOLUTIONS HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Other reserves	Accumulated Losses	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	**8,945**	**48,277**	**4,194**	**(66,305)**	**(4,889)**
Loss and total comprehensive expense for the year	-	-	-	(236)	(236)
Balance at 31 December 2021	**8,495**	**48,277**	**4,194**	**(66,541)**	**(5,125)**
profit and total comprehensive income for the year	-	-	-	1,183	1,183
Balance at 31 December 2022	**8,495**	**48,277**	**4,194**	**(65,358)**	**(3,942)**

GROUP AND COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2022

	Note	Group		Company	
		2022	2021	**2022**	2021
		£'000	£'000	**£'000**	£'000
Cash flows from operating activities					
Profit/ (loss) before taxation		**(684)**	596	**1,183**	(236)
Finance costs	7	**2**	4	-	-
Depreciation of property, plant and equipment	9	-	-	-	-
Share based payments charge		**51**	103	-	-
Change in trade and other receivables		**(12)**	777	**(15)**	109
Change in trade and other payables		**(181)**	(154)	**7**	(44)
Total cash utilised by operations		**(824)**	1,326	**1,175**	(171)
Interest paid		**(2)**	(4)	-	-
Income taxes received		**12**	305	-	-
Income taxes paid		-	(233)	-	-
Net cash inflow from operating activities		**(814)**	1,394	**1,175**	(171)
Cash flows from investing activities					
Interest received		-	-	-	-
Purchase of plant and equipment		-	-	-	-
Net cash outflow from investing activities		-	-	-	-
Cash flows from financing activities					
Repayments to group undertakings		-	-	**(1,903)**	(515)
Receipts from group undertakings		-	-	-	2,572
Repayment of Bank Loan		**(6)**	(4)	-	-
Proceeds from Bank Loan		-	-	-	-
Repayments to Endurance RP Loans		-	(2,341)	-	(2,341)
Proceeds from Endurance RP Loans		**735**	452	**735**	452
Net cash outflow from financing activities		**729**	(1,893)	**(1,168)**	168
(Decrease)/ Increase in cash and cash equivalents		**(85)**	(499)	**7**	(3)
Cash and cash equivalents at the beginning of year		**122**	621	**2**	5
Cash and cash equivalents at end of year		**37**	122	**9**	2

1 GENERAL INFORMATION

Plethora Solutions Holdings plc (the "Company") and its subsidiaries' ("Plethora" or the "Group") principal activities are the development and commercialisation of a pharmaceutical treatment of premature ejaculation in the area of men's sexual health.

Plethora Solutions Holdings plc, is a private company limited by shares, and is a wholly owned subsidiary of Endurance RP Limited, is incorporated and domiciled in the United Kingdom.

2 EFFECTS OF CHANGES IN ACCOUNTING POLICIES

2.1) New standards, interpretations and amendments adopted from 1 January 2022

New standards impacting the Group that are effective for the period beginning 1 January 2022 but have not had a significant effect on the Group are:

The following amendments are effective for the period beginning 1 January 2022:
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

2.2) New Standards, Interpretations and Amendments Not Yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separate from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

3 ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by financial liabilities at fair value through profit or loss using the required measurement bases specified under International Financial Reporting Standards (IFRS), IFRS Interpretations Committee interpretations and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS. Accounting policies have been applied consistently other than where new policies have been adopted.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's profit for the year was £1,183,000 (2021: loss £236,000).

Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liabilities, income and expense. The measurement bases are more fully described in the accounting policies below.

The accounting estimates and assumptions are consistent with the Group's latest approved budget forecast where applicable. Judgements are based on the information available at each balance sheet date. All estimates are based on the best information available to management.

Exceptional items, namely items that are material either because of their size or their nature, and which are non-recurring, are presented within their relevant Statement of Comprehensive Income category but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a full understanding of the Group's underlying performance.

Going concern

In considering the appropriate basis on which to prepare the financial statements, the Directors are required to consider whether the Group and Company can continue in operational existence for the foreseeable future.

The Group recorded revenues of £28,000 (2021: £2.36million) during the year and had a cash balance of £37,000 (2021: £122,000) as at 31 December 2022 and net liabilities of £3,964,000 (2021: £3,293,000).

In addition to its loan facilities from Endurance RP Limited, the Group has a bank loan with outstanding balance at year end of £22,000. The Directors have prepared detailed cash flow forecasts through to the end of the 2023 that show that the Group and Company with the financial support of its parent company, Endurance RP Limited and forecasted upfront milestone receipts has adequate working capital to meet its immediate needs.

The Directors have assessed the impact of the Russia/Ukraine war to the business operations and have concluded that this won't have a significant effect on the Group's activities. The Directors have obtained confirmation from Endurance RP Limited that it is their intention to provide support to the Group for a period of not less than 12 months from the date of signing these financial statements and the Directors have also considered their ability to provide this support. Consequently, the Directors have concluded that it is appropriate to prepare the Group's financial statements on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

3 ACCOUNTING POLICIES – CONTINUED

Consolidation and investments in subsidiaries

Consistent accounting policies have been adopted across the Group and where necessary the accounting policy for the subsidiaries has been changed to ensure consistency within the Group.

Subsidiaries are entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent company as well as those entities controlled by the Group by full consolidation.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets on a straight line basis over the estimated useful economic life of each asset. Gains/losses on disposal are determined by comparing proceeds with carrying value and are recognised within other (losses)/gains in the Consolidated Statement of Comprehensive Income.

The useful lives of property, plant and equipment can be summarised as follows:

Fixtures & fittings, computers and equipment - 5 years

Residual asset values and useful lives are reviewed and adjusted annually where necessary.

Impairment

The carrying value of non-current assets is reviewed whenever events or changes in circumstances indicate that the carrying value may not be recoverable to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of property, plant and equipment is the greater of their fair value less costs to sell and value in use.

Furthermore, non-financial assets other than goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

The Group classifies its financial assets into the category discussed below, based on the purpose for which the asset was acquired. The Group's accounting policy is as follows:

3 ACCOUNTING POLICIES – CONTINUED

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a single loss rate approach in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Group classifies its financial liabilities into the following category, based on the purpose for which the liability was acquired.

The Group's accounting policy is as follows:

Other financial liabilities

Other financial liabilities include the following items:

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Embedded derivatives

Embedded derivatives identified in host contracts are separated from the host contract when they are not closely linked to the contract and are valued at fair value through the Consolidated Statement of Comprehensive Income where they meet the definition of a financial liability. The embedded derivative is revalued to fair value at each reporting period. Within the Consolidated Statement of Comprehensive Income any charge or credit is disclosed in finance income/costs and the corresponding asset/liability is separately shown in the notes to the balance sheet.

Where the embedded derivative meets the definition of equity, this is recognised initially at its fair value and not subsequently re-measured.

3 ACCOUNTING POLICIES – CONTINUED

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The other reserve is a reserve arising on merger accounting.

Share based payments reserve comprises the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.

The convertible loan note equity reserve represents the difference between the proceeds from issuing the convertible loan notes and the fair value assigned to the liability component at the date of issue.

Accumulated losses include all current and prior period results as disclosed in the statement of comprehensive income.

Revenue recognition

Performance obligations and timing of revenue recognition

The Group's revenue is derived from the licencing of the right to develop, market, sell and distribute their intellectual property. Individual performance obligations are specified in each licencing agreement and based on the nature of the obligation revenue is recognised at a point in time when the performance obligation is met.

Determining the transaction price

Most of the Group's revenue is derived from signature upfront payments, royalties or commercial or development milestones. The licencing agreements specify the revenue for each of these transactions and therefore the amount of revenue to be earned from each contract is determined by reference to those agreements.

Allocating amounts to performance obligations

The licencing agreement specifies each performance obligation and the amount of revenue associated with it. These licencing agreements negotiated on an arm's length basis between willing parties.

3 ACCOUNTING POLICIES – CONTINUED

Practical Exemptions

The company has taken advantage of the practical exemptions:
- not to account for significant financing components where the time difference between receiving consideration and transferring control of services to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Research and Development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs do not currently meet one or more of criteria for capitalisation listed below in accordance with IFRS and as such expensed as incurred:
- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the asset and use or sell it;
- the ability to use or sell the asset;
- the asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell it; and

the ability to measure reliably the expenditure attributable to the intangible asset.

Employee benefits

(i) Defined contribution pension scheme

Pensions to certain employees are provided through contributions to individual personal pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

(ii) Other employee benefits

Short-term employee benefits, including holiday entitlement, are included in current pension and other employee obligations at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Foreign currencies

These financial statements are presented in UK Sterling which is the functional currency of the Group.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the Consolidated Statement of Comprehensive Income.

3 ACCOUNTING POLICIES – CONTINUED

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with the initial recognition of goodwill on acquisitions. In addition, tax-losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

The Group is entitled to a tax deduction for amounts treated as compensation on exercise of certain employee share options or vest of share awards under UK tax rules. As there is a temporary difference between the accounting and tax bases, a deferred tax asset is created. The deferred tax asset arising is calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on the Group's share price at the balance sheet date) with the cumulative amount of the compensation expense recorded in the income statement. If the amount of estimated future tax deduction exceeds the cumulative amount of the compensation expense at the statutory rate, the excess is recorded directly in equity, against retained earnings, where the deferred tax asset is recognised.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Research and development tax credits are recognised when they are received.

Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with the options to exclude leases where the lease term is 12 months or less, or the underlying asset is of low value. All of the Group's leases are either low value or have lease term of 12 months or less hence the Group has elected to treat the lease a short-term lease exemption and will not recognise a lease liability or right-of-use asset on its balance sheet. Payments on leases are therefore recognised as an expense on a straight-line basis in the Consolidated Statement of Comprehensive Income. Associated costs, such as maintenance and insurance, are expensed as incurred.

Significant accounting estimates and judgements

Certain estimates and judgments need to be made by the Directors of the Group which affect the results and position of the Group as reported in the financial statements. Estimates and judgments are required for example, as at the reporting date, as not all liabilities have been settled and certain assets/ liabilities are recorded at fair value which requires a number of estimates and assumptions to be made.
The major areas for judgments within the financial statements are as follows:

- preparing the financial statements on a going concern basis;
- timing of revenue recognition where satisfaction of the performance obligation is subject to certain performance conditions; and
- the capitalisation of development costs – this involves an assessment of whether the criteria required to be met to capitalise rather than expense these costs have been met.

The reasons that the Directors believe it is appropriate to prepare the financial statements on a going concern basis are detailed on page 21.

There are no other major areas of estimation.

4 REVENUE

The Group received revenues during the year of £28,000 (2021: £2.36 million). This turnover was derived from the following markets:

	2022	2021
	£'000	£'000
Asia	9	2,328
Rest of Europe	19	28
	28	2,356

Revenue of the Group consists of signature payment, milestone and royalty income, and other income. An analysis of the Group's revenue for the year is as follows:

	2022	2021
	£'000	£'000
Milestone income	-	2,328
Royalty income	28	28
	28	2,356

The Group's revenue from external customers is divided into the following geographical areas:

	2022	2021
	£'000	£'000
Republic of Ireland	9	28
Taiwan	19	-
The People's Republic of China (the "PRC")	-	2,328
	28	2,356

Disaggregation of revenue

Disaggregation of the Group's revenue and timing of revenue recognition are as follows:

	2022	2021
Timing of revenue recognition	£'000	£'000
At a point in time		
Milestone and royalty income	28	2,356
	28	2,356

The Group has applied the practical expedient under IFRS 15 for not disclosing an estimate of the transaction price which would not include any estimated amounts of variable consideration that are constrained. Revenue from customers of the Group's contributing 10% or more of the Group's revenue is as follows:

	2022	2021
	£'000	£'000
Customer A	9	28
Customer B	-	2,328
Customer c	19	-
	28	2,356

Trade receivables are included within Trade and other receivables on the face of the statement of financial position. Refer to note 11 for details of trade receivables balances. There are no other contract assets or contract liabilities.

There are no outstanding performance obligations.

5 OPERATING PROFIT / LOSS

The operating loss is stated after charging/(crediting):

	2022 £'000	2021 £'000
Auditors' remuneration:		
- Company	**20**	30
Other services:		
- audit of subsidiary undertakings	**6**	10
- other non-audit services	**-**	-
Foreign Exchange loss	**8**	18
Furlough claim	**-**	(6)
Operating lease charges – Land and buildings	**10**	10
Depreciation: Property, plant and equipment – owned	**-**	-

As discussed in Note 2, the Group has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concessions entered into during year satisfy the criteria to apply the practical expedient.

6 DIRECTORS AND EMPLOYEES

	2022 Number	2021 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Administration and management staff	**3**	3

Staff costs during the year were as follows:	2022 £'000	2021 £'000
Wages and salaries including termination benefits	**216**	208
Social security costs	**9**	10
Share based compensation	**51**	103
	276	321

Remuneration in respect of the directors were as follows. No other employees were considered to be key management personnel.

	2022 £'000	2021 £'000
Salaries, bonus and fees	**128**	109
Share based compensation	**51**	103
	179	212

Emoluments of the highest paid director was £115,000 (2021: £109,000). The directors are considered to be key management personnel.

7 FINANCE COSTS AND INCOME

	2022 £'000	2021 £'000
Effective interest charge on borrowings	**2**	4
Finance costs from continuing activities	**2**	4
Bank interest receivable	**-**	-
Finance income from continuing activities	**-**	-

8 INCOME TAX

The tax credit is based on the operating profit for the prior year and represents:

	2022 £'000	2021 £'000
UK corporation tax:		
Adjustments in respect of prior years for R&D credits	**12**	305
Current tax credit		
Withholding tax charge	**-**	(233)
Deferred taxation (note 13)	**-**	-
Tax on result on continuing operations	**12**	72

The tax assessed differs from the effective rate of corporation tax in the UK of 19 % (2021: 19%). The differences are explained as follows:

	2022 £'000	2021 £'000
Profit/(loss) for the year from continuing operations before taxation	**(683)**	596
Loss for the year from continuing operations multiplied by the effective rate of corporation tax during the year in the UK of 19 % (2020: 19%)	**(130)**	113
Effect of:		
Expenses not deductible for tax	**10**	20
Withholding tax	**-**	(233)
(Utilisation of)/ Carry forward of unutilised tax losses	**118**	(133)
Adjustments in respect of prior year for R&D credits	**12**	305
	12	72

At 31 December 2022 the Group and Company had tax losses of £58,582,979 (2021: £58,202,221) and £19,176,215 (2021: £18,984,872) respectively to offset against future profits within the United Kingdom.

During the year, the standard rate of Corporation tax in the UK was 19%. Accordingly, the Group's losses for this accounting year are taxed at an effective rate of 19%.

At Budget 2021, the government announced that the Corporation Tax main rate would remain at 19% until FY2022 and the main rate of Corporation Tax will increase to 25% from April 2023. The calculation of the unrecognised deferred tax asset has taken into consideration these rates.

9 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Fixtures, Fittings, Computers and Equipment £'000
Cost	
At 1 January 2022	92
Additions	-
At 31 December 2022	92
Additions	-
At 31 December 2022	**92**
Accumulated depreciation	
At 1 January 2021	90
Charge for the year	2
At 31 December 2021	92
Charge for the year	-
At 31 December 2022	**92**
Net book value	
At 31 December 2021	-
At 31 December 2022	**-**

The assets of the Group are held in Plethora Solutions Limited, 100% subsidiary of the Group.

10 INVESTMENTS

Company

	Subsidiary Undertakings £'000
Cost	
At 1 January 2021	81,500
Additions	-
At 31 December 2021	81,500
Additions	-
At 31 December 2022	**81,500**
Accumulated Impairment	
At 1 January 2021	(81,500)
Impairment charge	-
At 31 December 2021	(81,500)
Impairment charge	-
At 31 December 2022	**(81,500)**
Net book value	
At 31 December 2021	-
At 31 December 2022	-

At 31 December 2022 the subsidiaries of the Group were as follows:

Name of subsidiary undertaking	Country of incorporation	Description of shares held	% of nominal value of shares held	Principal business activity
Plethora Solutions Limited	United Kingdom	0.001p Ordinary	100	Development of pharmaceutical drugs
Plethora Pharma Solutions Limited	Ireland	€1 Ordinary	100	Activities of holding companies

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade receivables	**10**	-	-	-
Amounts owed to group undertakings	-	-	-	-
Other receivables	**6**	8	-	-
Prepayments and accrued income	**20**	16	**16**	1
Total	**36**	24	**16**	1

There were trade receivables of £10k at the year end (2021: £nil). Other receivables relate to contractual amounts receivable by the Group and are considered by the directors to be fully recoverable.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on factors affecting the Group's customers.

Based on historical credit losses and current and forward-looking information the group has determined the expected credit loss to be less than 1%, and accordingly no impairment has been recognised.

There has been no significant increase in credit risk since initial recognition.

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Cash and cash equivalents	**37**	122	**9**	2

Cash and cash equivalents consist of cash on hand and balances with banks only.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

13 DEFERRED TAXATION

At 31 December 2022, the Group and Company had an unrecognised deferred tax asset relating to losses carried forward of £14,645,745 (2021: £11,012,835) and £4,794,054 (2021: £3,606,684) respectively. The assets have not been recognised as the Directors have insufficient certainty over the utilisation of these losses and associated tax benefits in the foreseeable future because the timing of that future taxable profit against which they can be realised is uncertain. Deferred tax balance has been calculated at 25% (2021: 19%).

Other deferred tax assets and liabilities arising from other temporary differences are considered to be insignificant.

14 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Less than 3 months				
Trade and other payables	**62**	188	**17**	1
Social security and other taxes	**4**	4	**-**	-
Accrued expenses	**46**	101	**46**	55
Amounts owed to group undertakings	**-**	-	**-**	1,954
Between 3 and 12 months				
Amounts owed to group undertakings	**-**	-	**-**	-
	112	293	**63**	2,010

Due to the short term duration of trade and other payables the carrying value in the balance sheet represents the fair value of the liabilities.

15 BORROWINGS – GROUP AND COMPANY

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Current borrowings				
Endurance RP Bridge intercompany Loan	**3,904**	3,118	**3,904**	3,118
Bank Loan	**6**	6	-	-
Non-current borrowings				
Bank Loan	**16**	22	-	-
	3,926	3,146	**3,904**	3,118

The future contractual payments of principal for convertible loan notes and third party borrowings are as follows:

	2022	2021
	£'000	£'000
Within 1 year and 5 years:		
Endurance RP Loan	**3,904**	3,118
Bank Loan	**22**	28
	3,926	3,146

During 2022, The Company drawn down £0.78 million from Endurance RP Limited increasing the intercompany balance (2021: Receipt £1.8million). The intercompany payments are repayable on demand.

At 31 December 2022, Plethora had repaid £10,000 of the £32,000 (2021: £28,000) unsecured bank loan obtained in 2020 under the state-backed loan scheme to provide support for small and medium size business. Under the terms of the bank loan, interest will be charged at 2.5% per annum with first repayment made after 12 months and would run for 5 years.

16 FINANCIAL INSTRUMENTS

During the financial year, the Group and company used financial instruments comprising cash and short-term deposits, related party loans and convertible debt instruments. It has issued warrant instruments in relation to loan and convertible debt arrangements. It does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. The Group and Company have items such as trade payables that arise directly from its operations.

Liquidity risk

The Group seeks to manage financial risk by ensuring it has adequate liquid resource to meet its obligations as they fall due. During the year the Group used share issues and loans to raise finance for the Group's activities. The Directors prepare detailed cash flow forecasts which are monitored frequently to ensure that all obligations can be settled as they fall due.

Interest rate risk

During 2022 and 2021 no interest was charged on the Endurance RP intercompany Loan.

16 FINANCIAL INSTRUMENTS -CONTINUED

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group holds financial instruments in form of warrant instruments which are affected by fluctuation in market prices. These instruments are revalued each year end and movements recognized in the profit and loss statement. No sensitivity analysis of market risk caused by share price movement has been done since the effect of the movement is recognised through the profit and Loss statement.

Financial assets and liabilities

Financial assets

The Group classifies its financial assets into the category discussed below, based on the purpose for which the asset was acquired. The Group's accounting policy is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a single loss rate approach in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The IFRS 9 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Loans and other receivables	**73**	130	**25**	3

The financial assets are included in the balance sheet in the following headings:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Current assets				
Trade and other receivables	**36**	8	**16**	1
Cash and cash equivalents	**37**	122	**9**	2
	73	130	**25**	3

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position

During the year ended 31 December 2022, there was no impairment on the Group's financial assets.

17 FINANCIAL INSTRUMENTS -CONTINUED

Financial liabilities

The Group classifies its financial liabilities into the following category, based on the purpose for which the liability was acquired. The Group's accounting policy is as follows:

Other financial liabilities

Other financial liabilities include the following items:

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The IFRS 9 categories of financial liabilities included in the balance sheet and the headings in which they are included are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Financial liabilities at amortised cost	**4,038**	3,439	**3,969**	5,128
	4,038	3,439	**3,969**	5,128

The financial liabilities are included in the balance sheet in the following headings:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Current liabilities				
Trade and other payables	**112**	293	**63**	2,010
Borrowings	**3,926**	3,146	**3,904**	3,118
	4,038	3,439	**3,969**	5,128

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

During the year ended 31 December 2022, there was no impairment on the Group's financial liabilities.

18 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure that it can continue as a going concern and has adequate capital to fund marketing and development activities. The Group regularly reviews its capital requirements to ensure it is a going concern and is in compliance with all by-laws and restrictions imposed by its lenders.

In order to maintain or adjust the capital structure, during the financial year the Group would issue new shares or sell assets to reduce debt. The Group monitors capital based on net assets and the Group's strategy is to improve its balance sheet position in order to be able to provide a return to shareholders. No dividend was paid during the years ended 31 December 2022 and 2021.

18 CAPITAL MANAGEMENT POLICIES AND PROCEDURES (CONTINUED)

	2022	2021
	£000	£000
Borrowings	**3,910**	3,146
Trade and other payables	**112**	293
Less: Cash and cash equivalents	**(37)**	(122)
Net debt	**3,985**	3,317
Total equity	**8,945**	8,945
Net debt to equity ratio	**44.55%**	37.08%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

Endurance RP Limited, who own 100% of the issued share capital of the Group have confirmed they will support the Group with all financial support as needed.

19 SHARE CAPITAL – GROUP AND COMPANY

	2022	2021
	£000	£000
Allotted, issued and fully paid		
894,497,686 (2021: 894,497,686) ordinary shares of 1 penny each	**8,945**	8,945

All ordinary shares carry the same voting rights and rights to discretionary dividends.

There were no new share issues in 2022 and 2021.

Share premium
The share premium reserve is the excess consideration received for the Company's shares above their nominal value.

Profit and loss account
The profit and loss account represents the cumulative profits and losses net of dividends and other adjustments.

20 LEASING COMMITMENTS

The Group's aggregate minimum operating lease payments for the remaining lives of the leases are as follows:

	2022 Land and buildings £'000	2021 Land and Buildings £'000
Expiring in less than one year	4	4

The lease recorded in the financial statements is in respect of the Group's office premises.

21 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

During the year, the Group transacted with certain related parties:

	Value of services acquired		Amounts due at 31 December	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Urodoc Limited	**104**	96	**-**	-
Endurance RP Limited	**-**	-	**3,904**	3,118

During 2022, £104,000 (2021: £96,000) of the fees owed to M G Wyllie, were paid to Urodoc Limited. Dr Wyllie *was a director for part of the year and majority shareholder of Urodoc Limited.*

During 2022, £51,000 (2021: £103,000) was received from Endurance RP Limited as share based payments to directors. The Group drawdown £786,000 (2021: Repaid: £1,889,000) from Endurance RP Limited to during 2022.

22 CONTROLLING PARTY

As at 31 December 2022, Endurance RP Limited, a Hong Kong listed company, registered in the Cayman Islands with registered address at 8th Floor, Henley Building, 5 Queen's Road Central, Hong Kong was the company's controlling party.